



Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: June 28, 2013

Title	Agenda Item Type
Civil Practice and Procedure: Adjustment of Maximum Amount of Imputed Liability of Parent or Guardian for Tort of a Minor	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
Amend Cal. Rules of Court, Appendix B	July 1, 2013
Recommended by	Date of Report
Mary M. Roberts, Chief Counsel	May 17, 2013
Anne M. Ronan, Attorney	Contact
AOC Legal Services Office	Anne M. Ronan, 415-865-8933 anne.ronan@jud.ca.gov

Executive Summary

The Administrative Office of the Courts (AOC) recommends that the Judicial Council amend Appendix B of the California Rules of Court to reflect the biannual adjustments to the dollar amounts of the maximum amount of liability of parents or guardians to be imputed for the torts of a minor under Civil Code section 1714.1 and direct that the AOC publish the adjusted amounts.

Recommendation

The Administrative Office of the Courts (AOC) recommends that the Judicial Council, effective July 1, 2013, amend Appendix B of California Rules of Court to adjust the maximum liability of the parent or guardian having custody and control of a minor for the willful misconduct of the minor, under Civil Code section 1714.1(a) or (b), from \$37,400 to \$39,300.

The text of amended Appendix B is attached at page 4.

Previous Council Action

Since January 1, 1997, Civil Code section 1714.1(c) has required that the council compute an adjustment to the dollar amounts stated in subdivisions (a) and (b) of that code section every two years, based on the change in the California Consumer Price Index. By Circulating Order CO-97-07, the council authorized the Administrative Director of the Courts to make those adjustments on an ongoing basis and to report that action to the council. The Administrative Director has done so every odd-numbered year since that time, and the revised Appendix B has been published with the California Rules of Court each time.

Rationale for Recommendation

Civil Code section 1714.1(a) and (b)¹ imputes liability for any act of willful misconduct of a minor that results in injury or death to another person, injury to the property of another, or the defacement of the property of another by paint, to the parent or guardian having custody and control of the minor. Both subdivisions state that the maximum liability of the parent or guardian shall not exceed \$25,000 for each tort of the minor, but note that the maximum amount is subject to subdivision (c). Subdivision (c) requires the Judicial Council to compute an adjustment to the maximum amount every two years to reflect increases in the cost of living, as indicated by the annual average of the California Consumer Price Index (CCPI), and to publish the adjusted maximum amounts of liability on or before July 1 of each odd-numbered year.

The formula² for determining each adjustment is published in Appendix B to the California Rules of Court, which gives the adjustments and calculations a permanent place for reference. Applying that formula and the annual average of the 2012 California Consumer Price Index of 238.155,³ the adjusted liability limit as of July 1, 2013, should be \$39,300, as shown in the attached amended Appendix B.

This amendment to Appendix B will be published—as required by section 1714.1(c)—in the *California Official Reports*, as are all amendments to the California Rules of Court, and also published on the judicial branch website.

Comments, Alternatives Considered, and Policy Implications

The proposed amendment of Appendix B is a technical amendment made in response to a statutory mandate, which has not been circulated for comment. See Cal. Rules of Court, rule 10.22(d)(2).

¹ All further statutory references are to the Civil Code, unless otherwise indicated.

² A copy of the letter from the Department of Finance setting out the formula for the original adjustment, which has been followed since 1997, is attached at page 5.

³ The California Consumer Price Index is published each year by the California Department of Industrial Relations. A copy of the most recent chart is at page 6.

Implementation Requirements, Costs, and Operational Impacts

There are no court costs or operational impacts associated with this amendment of Appendix B.

Attachments

1. Proposed amended Appendix B, at page 4
2. Attachment A: April 21, 1997 letter from Department of Finance, at page 5
3. Attachment B: Consumer Price Index–California, 2011–2012, at page 6

Appendix B of the California Rules of Court is amended effective July 1, 2013, as follows:

Appendix B

Liability Limits of a Parent or Guardian Having Custody and Control of a Minor for the Torts of a Minor (Civ. Code, § 1714.1)

Formula

Pursuant to Civil Code section 1714.1, the joint and several liability limit of a parent or guardian having custody and control of a minor under subdivisions (a) and (b) for each tort of the minor shall be computed and adjusted as follows:

$$\text{Adjusted limit} = \left[\frac{\text{Current CCPI} - \text{January 1, 1995, CCPI}}{\text{January 1, 1995, CCPI}} + 1 \right] \times \text{January 1, 1995, limit}$$

Definition

“CCPI” means the California Consumer Price Index, as established by the California Department of Industrial Relations.

January 1, 2011-July 1, 2013, calculation and adjustment

The joint and several liability of a parent or guardian having custody and control of a minor under Civil Code section 1714.1, subdivision (a) or (b), effective ~~January 1, 2011~~ July 1, 2013, shall not exceed ~~\$37,400~~ **\$39,300** for each tort.

The calculation is as follows:

$$\text{\$37,445.38} \text{ } \underline{\text{\$39,299.50}} = \left[\frac{\underline{\text{226.919}} \text{ } \underline{\text{238.155}} - \text{151.5}}{\text{151.5}} + 1 \right] \times \text{\$25,000}$$

Under section 1714.1, subdivision (c), the adjusted limit is rounded to the nearest hundred dollars, so the dollar amount of the adjusted limit is rounded up to \$39,300.



April 21, 1997

Ms. Cara Vonk
Judicial Council of California
Administrative Office of the Courts
303 Second Street, South Tower
San Francisco, CA 94107

Dear Ms. Vonk,

The updated number calculated in accordance with Civil Code section 1714.1 subdivision c is \$25,900.00. Proper escalation procedure divides the difference of the end-of-period number and the beginning-of-period number by the beginning-of-period number. Next add one and multiply by the original number in this case \$25,000.00.

The California Consumer Price Index (CCPI) formula is established by the Department of Industrial Relations (DIR). The Department of Finance, using the DIR formula for the CCPI, calculates the January 1, 1995 CCPI as 151.5, for January 1, 1996 (154.0), and for January 1, 1997 (157.1). The calculation rests on the assumption that the figure of \$25,000.00 originates January 1, 1995 as you stated in our conversation this morning.

$$25,925.00 = \left[\frac{(157.1 - 151.5)}{151.5} + 1 \right] \times 25,000.00$$

Subdivision c requires the number to be rounded to the nearest one hundred dollars producing \$25,900.00. My phone number is (916) 322-2263 x2423; where I can be reached to answer to any questions. I have included CCPI data tables for purposes of documentation.

Sincerely

A handwritten signature in cursive script that reads "Jason Barnhart".

Jason Barnhart

<http://www.dir.ca.gov/OPRL>

CONSUMER PRICE INDEX - CALIFORNIA

Los Angeles-Riverside-Orange Co., San Francisco-Oakland-San Jose, San Diego
United States City Average, 2011-2012

All Items
1982 - 1984 = 100

Year & Month	All Urban Consumers					Urban Wage Earners and Clerical Workers				
	California ^a	Los Angeles ^b Riverside Orange Co.	San Francisco ^b Oakland San Jose	San Diego ^b	U.S. City ^b Average	California ^a	Los Angeles ^b Riverside Orange Co.	San Francisco ^b Oakland San Jose	San Diego ^b	U.S. City ^b Average
2011 January	-	228.652	b		220.223	-	221.540	b		216.400
February	230.338	229.729	229.981		221.309	223.663	222.814	226.638		217.535
March	-	232.241	b		223.467	-	225.770	b		220.024
April	234.113	233.319	234.121		224.906	228.118	227.051	231.600		221.743
May	-	233.367	b		225.964	-	226.842	b		222.954
June	233.285	232.328	233.646	252.451	225.722	226.715	225.461	230.605	238.431	222.522
July	-	231.303	b		225.922	-	224.277	b		222.686
August	233.256	231.833	234.608		226.545	226.427	224.665	231.445		223.326
September	-	233.022	b		226.889	-	226.096	b		223.688
October	234.317	233.049	235.331		226.421	227.713	226.116	232.371		223.043
November	-	232.731	b		226.230	-	225.786	b		222.813
December	232.985	231.567	234.327	253.368	225.672	226.170	224.444	231.109	239.243	222.166
Annual Average	232.930	231.928	233.390	252.910	224.939	226.364	225.072	230.337	238.837	221.575
2012 January	-	233.441	b		226.665	-	226.245	b		223.216
February	235.828	234.537	236.880		227.663	229.430	227.585	234.648		224.317
March	-	236.941	b		229.392	-	230.281	b		226.304
April	238.090	236.866	238.985		230.085	231.722	230.023	236.626		227.012
May	-	237.032	b		229.815	-	230.180	b		226.600
June	237.781	236.025	239.806	256.637	229.478	231.042	228.917	236.890	242.759	226.036
July	-	235.776	b		229.104	-	228.446	b		225.568
August	239.034	237.222	241.170		230.379	232.427	230.229	238.445		227.056
September	-	238.104	b		231.407	-	231.085	b		228.184
October	241.537	240.111	242.834		231.317	235.382	233.431	240.864		227.974
November	-	237.675	b		230.221	-	230.426	b		226.595
December	237.705	236.042	239.533		229.601	230.922	228.940	236.454		225.889
Annual Average	238.155	236.648	239.650		229.594	231.610	229.649	237.097		226.229

^a Weighted average of the consumer price indexes for Los Angeles-Anaheim-Riverside and San Francisco-Oakland-San Jose. A conversion factor has been included for comparability of 1987 data with 1986 and prior years. Computed by the Department of Industrial Relations, Office of the Director - Research Unit from indexes issued by the U.S. Department of Labor.

^b Source: U.S. Department of Labor, Bureau of Labor Statistics. Beginning with January 1998 data, indices for San Francisco-Oakland-San Jose will be published bi-monthly on even months only (February, April, June, etc.). Beginning with the January 2007 data, indices published by the Bureau of Labor Statistics will be rounded to three decimal places (see <http://www.bls.gov/cpi/cpithreedec.htm>). The California indices conform to this change.