



## Judicial Council of California

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

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# REPORT TO THE JUDICIAL COUNCIL

For business meeting on: March 24, 2017

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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, 2017
Recommended by	Date of Report
Deborah Brown, Chief Counsel	January 24, 2017
Christy Simons, Attorney	Contact
Legal Services Office	Christy Simons, 415-865-7694 <a href="mailto:christy.simons@jud.ca.gov">christy.simons@jud.ca.gov</a>

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### Executive Summary

Judicial Council staff 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 staff publish the adjusted amounts.

### Recommendation

Judicial Council staff recommends that the Judicial Council, effective July 1, 2017, 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 \$40,600 to \$42,100.

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 to make those adjustments on an ongoing basis and to report that action to the council. The Administrative Director did so every odd-numbered year since that time until 2013, at which time the council itself approved the adjustment. 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)<sup>1</sup> 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 formula<sup>2</sup> 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 2016 California Consumer Price Index of 255.303,<sup>3</sup> the adjusted liability limit as of July 1, 2017, should be \$42,100, 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).

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<sup>1</sup> All further statutory references are to the Civil Code, unless otherwise indicated.

<sup>2</sup> 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.

<sup>3</sup> 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, 2015-2016, at page 6

Appendix B of the California Rules of Court is amended, effective July 1, 2017, to read:

**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.

**July 1, 2015~~7~~, 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 July 1, 2015~~7~~, shall not exceed ~~\$40,600~~ \$42,100 for each tort.

The calculation is as follows:

$$\text{~~\$40,603.14~~ } \text{ \$42,129.21 } = \left[ \frac{246.055 \text{ } 255.303 - 151.5}{151.5} + 1 \right] \times \$25,000$$

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 to ~~\$40,600~~ \$42,100.



Attachment A

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

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, 2015-2016

All Items  
1982 - 1984 = 100

Year & Month	All Urban Consumers					Urban Wage Earners and Clerical Workers				
	California <sup>a</sup>	Los Angeles <sup>b</sup> Riverside Orange Co.	San Francisco <sup>b</sup> Oakland San Jose	San Diego <sup>b</sup>	U.S. City <sup>b</sup> Average	California <sup>a</sup>	Los Angeles <sup>b</sup> Riverside Orange Co.	San Francisco <sup>b</sup> Oakland San Jose	San Diego <sup>b</sup>	U.S. City <sup>b</sup> Average
<b>2015</b> January	-	239.724	b		233.707	-	231.063	b		228.294
February	246.218	241.297	254.910		234.722	237.836	232.975	249.809		229.421
March	-	243.738	b		236.119	-	235.991	b		231.055
April	248.637	243.569	257.622		236.599	240.661	235.697	252.875		231.520
May	-	246.093	b		237.805	-	238.816	b		232.908
June	250.404	245.459	259.117	267.346	238.638	242.680	237.792	254.736	251.472	233.804
July	-	247.066	b		238.654	-	239.889	b		233.806
August	251.253	246.328	259.917		238.316	243.753	238.755	256.060		233.366
September	-	245.431	b		237.945	-	237.324	b		232.661
October	251.255	245.812	261.019		237.838	242.884	237.472	256.107		232.373
November	-	245.711	b		237.336	-	237.190	b		231.721
December	250.711	245.357	260.289	271.526	236.525	242.222	236.787	255.492	255.060	230.791
Annual Average	249.666	244.632	258.572	269.436	237.017	241.635	236.646	253.910	253.266	231.810
<b>2016</b> January	-	247.155	b		236.916	-	238.609	b		231.061
February	252.649	247.113	262.600		237.111	243.748	238.262	257.141		230.972
March	-	247.873	b		238.132	-	239.146	b		232.209
April	254.134	248.368	264.565		239.261	245.321	239.536	259.386		233.438
May		R/249.554	b		R/240.229		R/240.320	b		R/234.436
June	R/255.576	R/249.789	266.041	272.628	R/241.018	R/246.505	R/240.522	261.017	256.287	R/235.289
July		R/249.784	b		R/240.628		R/240.580	b		R/234.771
August	R/256.097	R/249.700	R/267.853		R/240.849	R/246.735	R/240.267	R/262.326		R/234.904
September	-	250.145	b		241.428	-	240.851	b		235.495
October	257.836	251.098	270.306		241.729	248.408	241.932	264.026		235.732
November	-	250.185	b		241.353	-	240.809	b		235.215
December	256.953	250.189	269.483	276.837	241.432	247.411	240.846	263.222	259.893	235.390
Annual Average	255.303	249.246	266.344	274.732	240.007	246.184	240.140	260.830	258.090	234.076

<sup>a</sup> 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.

<sup>b</sup> 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.

R/ - Revised, See Explanation by the Bureau of Labor Statistics at <http://www.bls.gov/bls/errata/cpi-price-corrections-10182016.htm>