



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: July 28, 2015

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, 2015
Recommended by	Date of Report
Deborah Brown, Chief Counsel	July 13, 2015
Anne M. Ronan, Senior Attorney	Contact
Legal Services Office	Anne M. Ronan, 415-865-8933 anne.ronan@jud.ca.gov

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, 2015, 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 \$39,300 to \$40,600.

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)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 year².

The formula³ 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 2014 California Consumer Price Index of 246.055,⁴ the adjusted liability limit as of July 1, 2015, should be \$40,600, 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.

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

² This recommendation was inadvertently left off the agenda of a prior council meeting. By statute the change in liability amount is effective July 1. See Civil Code § 1714.1(c).

³ 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.

⁴ 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.

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).

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, 2013-2014, at page 6

Appendix B of the California Rules of Court is amended effective July 1, 2015, 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.

July 1, 2013~~5~~, 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, 2013~~5~~, shall not exceed ~~\$39,300~~ \$40,600 for each tort.

The calculation is as follows:

$$\text{\$39,299.50} - \text{\$40,603.14} = \left[\frac{238.155 - 246.055 - 151.5}{151.5} \right] + 1 \times \$25,000$$

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 ~~down~~ to ~~\$39,300~~ \$40,600.



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, 2013-2014

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
2013 January	-	238.015	b		230.280	-	230.651	b		226.520
February	241.242	239.753	242.677		232.166	234.887	232.983	240.262		228.677
March	-	239.995	b		232.773	-	233.200	b		229.323
April	241.399	239.043	244.675		232.531	234.695	232.030	241.764		228.949
May	-	239.346	b		232.945	-	232.387	b		229.399
June	241.926	239.223	245.935	258.955	233.504	235.333	232.378	243.052	245.140	230.002
July	-	238.920	b		233.596	-	232.190	b		230.084
August	241.967	239.219	246.072		233.877	235.196	232.245	242.903		230.359
September	-	239.611	b		234.149	-	232.817	b		230.537
October	242.633	239.940	246.617		233.546	235.783	232.735	243.711		229.735
November	-	238.677	b		233.069	-	231.598	b		229.133
December	241.526	238.742	245.711	261.679	233.049	234.654	231.594	242.602	247.236	229.174
Annual Average	241.623	239.207	245.023	260.317	232.957	234.947	232.234	242.125	246.188	229.324
2014 January	-	239.857	b		233.916	-	232.578	b		230.040
February	244.037	241.059	248.615		234.781	237.021	233.886	245.148		230.871
March	-	242.491	b		236.293	-	235.500	b		232.560
April	245.900	242.437	251.495		237.072	239.144	235.717	247.932		233.443
May	-	243.362	b		237.900	-	236.647	b		234.216
June	247.228	243.528	253.317	265.251	238.343	240.612	236.880	250.085	250.188	234.702
July	-	243.727	b		238.250	-	236.936	b		234.525
August	247.259	243.556	253.354		237.852	240.289	236.504	249.877		234.030
September	-	243.623	b		238.031	-	236.451	b		234.170
October	247.481	243.341	254.503		237.433	240.082	235.921	250.508		233.229
November	-	241.753	b		236.151	-	233.896	b		231.551
December	244.812	240.475	252.273		234.812	236.733	232.330	247.680		229.909
Annual Average	246.055	242.434	251.985		236.736	238.960	235.273	248.326		232.771

^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.