



# Lawsuit Reform Alliance of New York

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**Contact: Jonathan Pierce, APR  
518.221.1186  
jon@albanypr.com**

## **Lawsuits negatively impact municipalities across NY at an irregular rate**

*University at Albany report details which regions are hurt the most*

ALBANY, N.Y. – A new report from the Program on Local and Intergovernmental Studies at the University at Albany details the cost of lawsuits on municipalities across New York State, finding that the disparity among counties is fairly widespread. Researchers tracked five years of budget data to assess the impact of lawsuits on municipalities.

“New York is undergoing an unprecedented, close examination of government spending and we hope this report will show policymakers the cost of lawsuits on New York’s municipalities,” said Sydney Creswell, senior researcher at the University at Albany. “With every line item under scrutiny, there is no reason these costs should be overlooked.”

Data from the study shows that from 2004 to 2009, the financial impact of lawsuit settlements ranged from less than \$5,000 in Wyoming County to over \$450,000,000 in Nassau County. Wyoming County also paid the smallest amount per capita while Cattaraugus County municipalities paid over \$650 per resident to settle lawsuits. And the year to year disparity makes it difficult for municipalities to factor those costs into budgets. In Madison County alone, lawsuit settlements ranged from a total of \$1,077 in 2006 to \$1.1 million in 2009.

“This study highlights the tremendous negative impact lawsuits have on our communities,” said Tom Stebbins, executive director of the Lawsuit Reform Alliance of New York, a non-profit group that advocates against frivolous lawsuits. “This is taxpayer money that municipalities could have used to provide services or improve infrastructure; instead, they are paying millions to settle legal claims.”

99 Washington Ave, Suite 310  
Albany, NY 12210  
518.512.5265  
[www.LRANY.org](http://www.LRANY.org)

When asked about the municipalities that paid relatively low judgments, or no judgments at all, Stebbins responded, “The variability is the greatest risk to our communities. A few thousand dollars in settlements one year could turn into millions the next year. How can municipalities plan for that?”

Stebbins pointed to legislative reforms like the Scaffold Law or implementation of “Fair Share Liability” as ways to bring down these costs. “New York has dozens of laws, like the Scaffold Law, that make it very easy and very profitable to sue in our state. Under the Scaffold Law, which only exists in New York, a municipality can be financially liable for an injury, even if it was not at fault. With laws like that, it is no wonder our municipalities pay millions in settlements.”

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