



**ARIZONA SUPREME COURT  
ORAL ARGUMENT CASE SUMMARY**



**JACOB LAURENCE v. SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT & POWER DISTRICT  
CV-21-0292-PR**

**PARTIES:**

*Petitioners:* Jacob Laurence, et al.

*Respondents:* Salt River Project Agricultural Improvement & Power District, et al.

**FACTS:**

Petitioner Jacob Laurence (“Laurence”) and his minor son sued Salt River Project Agricultural Improvement & Power District (“SRP”) and its employee (the “employee”) for damages suffered in a motor-vehicle crash. They sued the employee for direct liability and SRP for vicarious liability. They timely served an A.R.S. § 12-821.01 notice of claim on SRP, but not on the employee.

The employee moved for summary judgment against Laurence based on Laurence’s failure to timely serve the notice of claim; due to his son’s age and the resulting extended limitations period, his son’s claims would not be precluded based on service under A.R.S. § 12-821.01. The superior court granted this motion and, in a minute entry, dismissed Laurence’s claims against the employee.

Following the superior court’s ruling on the employee’s motion for summary judgment, SRP also moved for summary judgment against Laurence, arguing that it could not be vicariously liable for the employee’s conduct given that the court granted judgment in the employee’s favor. In response, Laurence maintained that the employee’s dismissal was not a dismissal on the merits and therefore did not preclude the vicarious liability claim against SRP. The superior court granted SRP’s motion, stating that the A.R.S. § 12-821.01 “Statute of Limitations dismissal granted in favor of [the employee] acts as a bar to any claims made by Plaintiff Jacob Laurence against SRP based strictly on a vicarious liability theory.”

Following this summary judgment ruling, the parties settled the son’s claims and moved for entry of judgment under Rule 54(c) of the Arizona Rules of Civil Procedure. The superior court dismissed all claims with prejudice and entered final judgment pursuant to Rule 54(c).

Laurence appealed the decision, arguing that, because the employee’s liability was not litigated on the merits, SRP remained potentially vicariously liable for the employee’s conduct. The court of appeals rejected this argument and affirmed the superior court’s decision. It reasoned that, under *De Graff v. Smith*, 62 Ariz. 261 (1945), an employer cannot be held vicariously liable when its employee has been adjudicated not guilty of any negligence. It further reasoned that Laurence’s claim was a pure vicarious liability claim and that, although the issue of the employee’s negligence

was not determined, the direct claim against the employee was adjudicated in the employee's favor. Based on this adjudication of the direct negligence claim against the employee, no fault could be imputed to SRP.

**ISSUES:**

1. Should this Court abrogate *De Graff v. Smith*, 62 Ariz. 261 (1945)?
2. Must a vicarious liability claim against a public employer be dismissed when the tort claims against one of its public employees are dismissed, not on the merits of liability, but solely because that public employee was not served with a timely notice of claim?

**STATUTE:**

In relevant part, Arizona Revised Statute § 12-821.01(A) provides:

Persons who have claims against a public entity, public school or a public employee shall file claims with the person or persons authorized to accept service for the public entity, public school or public employee as set forth in the Arizona rules of civil procedure within one hundred eighty days after the cause of action accrues. . . . Any claim that is not filed within one hundred eighty days after the cause of action accrues is barred and no action may be maintained thereon.

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