
March 27, 2024

The Honorable Luke Clippinger
Chair, House Judiciary Committee
101 House Office Building
Annapolis MD 21401

***RE: Letter of Information – Senate Bill 538 – Civil Actions - Noneconomic Damages -
Personal Injury and Wrongful Death***

Dear Chair Clippinger and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following information on Senate Bill 538 for the Committee’s consideration.

As amended, Senate Bill 538 raises the cap on noneconomic damages in civil actions for personal injury and wrongful death to \$1.75 million and establishes an annual \$20,000 increase, beginning on October 1, 2025.

Unlike other State agencies, the Maryland Transit Administration’s (MTA) noneconomic tort liability is governed by the Transportation Article, not the Maryland Tort Claims Act; the Transportation Article does not include a limit on liability. Existing law regarding noneconomic damages provides plaintiffs with significant levels of recovery and, with the current systems of caps, protects MTA from further exposure to noneconomic damages.

Increasing the noneconomic damages cap, and at an increased rate, will likely lead to significantly greater awards and settlements against MTA, and therefore the State, and could result in a lack of predictability in litigating and settling MTA cases. It is also possible that the proposed bill may affect MTA’s access to excess insurance or deductible amounts. As a result, Senate Bill 538 has the potential to have a significant fiscal impact on the MTA.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 538.

Respectfully submitted,

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