

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1275 (Delegate Conway, *et al.*)

Judiciary

Referred to Judicial Proceedings

Maryland Tort Claims Act - Scope

This amended bill includes certain county-funded State offices in the definition of “State personnel” for purposes of protection under the Maryland Tort Claims Act. These offices include State’s attorneys, board of license commissioners, local elections boards, circuit courts, and orphans’ courts. The bill’s provisions do not apply to any caused action arising before October 1, 1997.

Fiscal Summary

State Effect: Potential significant State expenditure increase as discussed below. No effect on revenues.

Local Effect: Potential significant expenditure decreases for the counties and Baltimore City. No effect on revenues.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

Background: The Governor has included \$2 million to cover premium costs for tort claims against State employees, and another \$1.4 million for tort losses in the proposed fiscal 1998 budget.

State Expenditures: The bill requires that certain county-funded State offices be protected under the Maryland Tort Claims Act. The State Treasurer’s Office estimates that 2,200 employees would fall under the State’s protection for tort claims. Thus, expenditures could increase due to additional liability premiums and potential tort losses. The State Treasurer’s Office estimates that expenditures would increase by \$350,000 annually (\$100,000 in premium costs and \$250,000 in tort losses).

Fiscal Services advises that the number of affected county employees would be slightly less than 2,000. In addition, based on the past experiences of the counties, it is expected that the amount of tort losses could be significantly lower than \$250,000 annually.

Local Expenditures: County expenditures could decrease by a significant amount due to lower liability premiums, and a potential reduction in tort losses. However, as a matter of general practice, tort losses have been relatively uncommon. Any savings would vary by jurisdiction depending upon the scope of the liability coverage.

Information Source(s): Office of the State Treasurer; Baltimore City; Allegany, Howard, Montgomery, Prince George's, and Wicomico counties; Department of Fiscal Services

Fiscal Note History: First Reader - March 3, 1997

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