

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 232 (Senator Hogan. *et al.*)

Judicial Proceedings

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**Immunity - State and Local Governments - Year 2000 Litigation**

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This emergency bill addresses the “Y2K problem.” The bill provides that, except for a wrongful death, survival, or personal injury action, the State or a local government or an official or employee of a local government is immune from suit and liability for damages arising out of a date data problem if the State or local government has: (1) published and made available for public comment a compliance plan; (2) adopted a compliance plan before October 1, 1999; and (3) completed specified items in its compliance plan before December 31, 1999.

The immunities provided in this bill are in addition to any immunities or limits on liability otherwise provided by law to the State or a local government or an official or employee of a local government. However, the bill does not provide any immunity for intentional tortious, wanton or reckless, or gross negligent acts or omissions, and it does not apply to workers’ compensation claims.

This bill sunsets January 2, 2004 and applies prospectively to causes of action arising out of a Y2K date data problem occurring before June 30, 2001.

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## **Fiscal Summary**

**State Effect:** Indeterminate meaningful. The State has begun to adopt a comprehensive plan. FY 1998 and 1999 appropriations to correct Y2K problems totaled \$53 million. An additional \$24 million is being requested to supplement the FY 1999 appropriation and \$20 million is requested for FY 2000. This bill would reduce State expenditures that would otherwise be spent in litigation resulting from the Y2K problem.

**Local Effect:** Indeterminate meaningful. To the extent that local governments adopt and implement a compliance plan, this bill would reduce local government expenditures that would otherwise be spent in litigation resulting from the Y2K problem. Most local governments have already begun to develop a comprehensive plan.

**Small Business Effect:** Potential meaningful. To the extent that this bill provides additional State and local government immunities, small businesses may lose a cause of action.

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## **Fiscal Analysis**

**Background:** The Maryland Tort Claims Act limits the State's liability to \$100,000 per claimant for injuries arising from a single incident or occurrence. State employees are immune from suit and liability for injuries resulting from a tortious act or omission made without malice or gross negligence that is within the scope of their public duties.

However, local governments are not immune from suit under the Local Government Tort Claims Act. A person may not recover against a local government employee on a judgment rendered for tortious acts or omissions committed within the scope of employment, unless the employee acted with actual malice. A local government is required to provide a legal defense for an employee in any action alleging damages resulting from tortious acts or omissions committed by the employee within the scope of employment. The local government is liable for judgments against the employee, but the liability is limited to \$250,000 for each claim and \$500,000 for total claims arising out of the same occurrence.

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**Information Source(s):** Department of Budget and Management, Maryland Association of Counties, State Treasurer, Maryland Association of Boards of Education, Greenbelt, Montgomery County, City of Laurel, Caroline County, Baltimore City

**Fiscal Note History:** First Reader - March 2, 1999  
ncs/jr Revised - Senate Third Reader - March 29, 1999  
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