

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 947 (Delegates K. Kelly and Vallario)

Judiciary

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Courts - Local Government Tort Claims - Limits on Liability

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This bill increases the liability limits under the Local Government Tort Claims Act from \$200,000 to \$300,000 for an individual claim, and from \$500,000 to \$750,000 for all claims arising from a single occurrence.

The bill may not be applied to any cause of action arising before the bill's October 1, 2000 effective date.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Potentially significant expenditure increases for local governments for increased tort claim payments. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** Potential meaningful.

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Analysis

**Current Law:** Under the Local Government Tort Claims Act, the liability of a local government for damages resulting from tortious acts or omissions may not exceed \$200,000 per an individual claim, and \$500,000 per total claims that arise from the same occurrence.

**Local Expenditures:** Tort claim payments by local governments could increase significantly as a result of increasing the payment caps under the Local Government Tort Claims Act as proposed by the bill. Prince George's County advises that based on historical claims data, the bill could cost Prince George's County up to \$500,000 in any one fiscal year. Harford

County advises that if the bill had been in effect in fiscal 1999, it would have cost Harford County at least \$100,000.

**Small Business Effect:** Small law firms that represent plaintiffs in tort claims against local governments could receive increased contingency fee revenue as a result of the bill.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Carroll, Harford, Montgomery, Queen Anne's, and Prince George's counties; Department of Legislative Services

**Fiscal Note History:** First Reader - February 17, 2000  
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