

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**

House Bill 184

(Delegates Vallario and K. Kelly)

Judiciary

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**Maryland Tort Claims Act - Limit on Liability**

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This bill increases the limit on the State's liability under the Maryland Tort Claims Act from \$200,000 to \$300,000 to a single claimant for injuries arising from a single incident or occurrence.

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**Fiscal Summary**

**State Effect:** State Insurance Trust Fund expenditures and agency premiums could increase by as much as \$1.4 million annually.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful. Law firms that represent plaintiffs in tort actions against the State, and any small business plaintiffs, could receive higher litigation fees and damage awards as a result of the bill.

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**Analysis**

**Current Law:** Under the Maryland Tort Claims Act, the liability of the State may not exceed \$200,000 to a single claimant for injuries arising from a single incident.

**Background:** The money to satisfy tort claims against the State comes from the State Insurance Trust Fund, a non-budgeted fund within the State Treasurer's Office that is funded by yearly premiums paid by all State agencies. State tort losses for fiscal 2002 are estimated at \$2.8 million.

**State Expenditures:** It is expected that State Insurance Trust Fund expenditures, and consequently agency premiums, could increase by as much as 50%, or \$1.4 million annually, pursuant to the bill.

The bill could also lead to additional lawsuits against the State to the extent that the potential for higher judgments induces the filing of marginal claims that otherwise would not have been filed. The cost of any such additional lawsuits and the associated administrative and legal expenses cannot be estimated at this time.

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### **Additional Information**

**Prior Introductions:** The liability limit under the Maryland Tort Claims Act was increased from \$100,000 to \$200,000 by Chapter 639 of 1999.

**Cross File:** None.

**Information Source(s):** State Treasurer's Office, Department of Legislative Services

**Fiscal Note History:** First Reader – February 28, 2001  
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