

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 155 (Delegates K. Kelly and Vallario)
Judiciary

Courts - Local Government Tort Claims - Limits on Liability

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, 2001 effective date.

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.

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. Montgomery County reports that increasing the cap will invite more lawsuits and increase the amount of settlements paid.

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.

Additional Information

Prior Introductions: This bill was introduced during the 2000 session as HB 947, but was withdrawn.

Cross File: None.

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

Fiscal Note History: First Reader – February 8, 2001
ef/jr

Analysis by: Claire E. Rooney

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510