

Department of Legislative Services  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 21 (Senator Della)  
Judicial Proceedings

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**Baltimore City - Local Government Tort Claims Act - Baltimore Public Markets Corporation**

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This bill expands the definition of “local government” for purposes of the Local Government Tort Claims Act to include the Baltimore Public Markets Corporation in Baltimore City. It thus permits the Baltimore Public Markets Corporation and its employees to raise as a defense a specified statutory limitation on the personal liability of an agent of a nonprofit organization.

The bill may not be applied to any cause of action arising before the bill’s October 1, 2003 effective date.

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**Fiscal Summary**

**State Effect:** The bill would not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Potential minimal. The bill could have the effect of discouraging lawsuits against the Baltimore Public Markets Corporation.

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**Analysis**

**Current Law:** Baltimore Public Markets Corporations is not included in the definition of local government for the purposes of the Local Government Tort Claims Act (LGTC). The LGTCA defines local government to include counties, municipal corporations, and Baltimore City, as well as various agencies and authorities of local

governments, such as community colleges, county public libraries, special taxing districts, nonprofit community service corporations, sanitary districts, housing authorities, and commercial district management authorities.

The LGTCA limits the liability of a local government to \$200,000 per individual claim and \$500,000 per total claims that arise from the same occurrence for damages from tortious acts or omissions (including intentional and constitutional torts). It further provides that the local government is liable for tortious acts or omissions of its employees acting within the scope of employment. It thus prevents local governments from asserting a common law claim of governmental immunity from liability for such acts of its employees.

The Maryland Associations, Organizations, and Agents Act limits the liability of nonprofit organizations that carry insurance meeting specified minimums. It provides that agents (directors, officers, trustees, employees, volunteers) of those nonprofit organizations may not be held personally liable so long as the acts are made without malice or gross negligence. Liability is limited to the applicable limit of insurance coverage for acts or omissions made in the course of duties by the nonprofit entity or its agents.

**Background:** Baltimore Public Markets Corporation is a nonprofit organization that operates a number of municipal market facilities in Baltimore City. It is funded in part through capital monies from Baltimore City and other government sources. Baltimore City does not indemnify the Baltimore Public Markets Corporation for tort claims.

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### **Additional Information**

**Prior Introductions:** SB 360 of 2002 received an unfavorable report from the Senate Judicial Proceedings Committee, as did SB 861 of 2001. SB 861 was cross filed as HB 1370 of 2001. HB 1370 received an unfavorable report from the House Judiciary Committee.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 3, 2003  
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