

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 414

(Carroll County Senators)

Judicial Proceedings

Judiciary

Carroll County - Local Government Tort Claims Act - Inclusion of Specified
Nonprofit Entities

This bill expands the definition of “local government” for purposes of the Local Government Tort Claims Act (LGTCA) to include the Carroll County Senior Overland Service, Inc., (t/a Carroll Area Transit System or CATS) and the Humane Society of Carroll County, Inc.

Fiscal Summary

State Effect: None.

Local Effect: Potential decrease in Carroll County expenditures for insurance premiums for the Humane Society of Carroll County. A decrease in insurance expenditures for CATS could potentially be passed to Carroll County.

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

Analysis

Current Law: 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.

Background: Because there is currently no statutory limitation on the amount of damages payable in a lawsuit against Carroll County Senior Overland Service, Inc. and the Carroll County Humane Society, Inc., capping their liability exposure at the \$200,000/\$500,000 limits could result in a decrease in expenditures for the organizations.

CATS is a private nonprofit corporation providing demand-response transportation to meet the needs of the seniors, elderly, frail, physically, and mentally challenged and the transportation disadvantaged of Carroll County. CATS contracts with the Carroll County government to provide transit services to its residents. CATS funds its own insurance, which for fiscal 2005 costs an estimated \$175,000.

The Carroll County Humane Society is a 501(3)(c) corporation that educates the public about the needs of animals, shelters animals, provides animals for adoption, and enforces the animal cruelty laws. Under a Memorandum of Understanding with Carroll County, the Humane Society provides all of the county's animal control services. The Humane Society uses space in a county building and the Director of the Society reports to the Carroll County Commissioners yearly, in the same manner as any county department head.

Local Expenditures: Insurance premiums for the Humane Society of Carroll County are funded by the county at \$35,000 per year. The Humane Society has not determined what its insurance premiums will be under Local Government Insurance Trust. In any event, county expenditures could decrease to the extent that the premiums are less than the current amount.

CATS currently funds its own insurance and will continue to do so under LGIT. It currently pays an estimated \$175,000 per year for insurance and estimates that its premiums under LGIT will be less than \$40,000 per year, an estimated decrease of \$135,000. CATS is currently in the second year of a five-year contract with the county to provide transit services.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Treasurer, Carroll County, Department of Legislative Services

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ncs/jr

Analysis by: Kineta A. Rotan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510