

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 173

(Senator Edwards)

Judicial Proceedings

Judiciary

Garrett County - Local Government Tort Claims Act - Inclusion of Garrett County Municipalities, Inc.

This bill expands the definition of “local government” for purposes of the Local Government Tort Claims Act (LGTCA) to include Garrett County Municipalities, Inc. (GCM) a private nonprofit corporation formed by municipalities in Garrett County to improve the efficiency of their local government operations.

The bill may not be applied to any cause of action arising before the bill’s October 1, 2007 effective date.

Fiscal Summary

State Effect: None.

Local Effect: No direct fiscal effect. The bill would, however, facilitate the consolidation of local government operations in eight Garrett County municipalities into a single entity, probably decreasing local government expenditures in the long term.

Small Business Effect: None.

Analysis

Current Law: The LGTCA defines local government to include counties, municipal corporations, Baltimore City, and 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.

LGTCGA 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, and volunteers) of those nonprofit organizations may not be held personally liable as 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: Garrett County contains eight municipalities, all currently covered under LGTCGA. GCM is a private nonprofit corporation formed by these eight municipalities. Since these municipalities are very small, they hope to improve the efficiency of their local governments by hiring common staff and purchasing common equipment through GCM. This bill is intended to insure that this consolidation will not remove the municipal government operations from coverage under LGTCGA.

Local Fiscal Effect: This bill has no direct fiscal effect because the municipalities comprising GCM are covered under LGTCGA. However, the bill removes a possible roadblock to the effort to consolidate these municipalities under GCA, a project which is anticipated to reduce local government expenditures once completed.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Garrett County, Judiciary (Administrative Office of the Courts), Garrett County Community Action Committee, Department of Legislative Services

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ncs/jr

Analysis by: Nicholas M. Goedert

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