

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 475
Judiciary

(Carroll County Delegation)

Carroll County - Local Government Tort Claims Act - Industrial Development
Authority

This bill limits the liability of the Industrial Development Authority of Carroll County (IDACC) by expanding the definition of “local government” for purposes of the Local Government Tort Claims Act (LGTCA).

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: Potential annual revenue decrease of \$40 beginning in FY 2012 for the Insurance Regulation Fund within the Maryland Insurance Administration as a result of reduced insurance premiums for IDACC.

Local Effect: Annual expenditures for Carroll County will decrease by approximately \$2,000 beginning in FY 2012 due to reduced insurance premiums for IDACC.

Small Business Effect: None.

Analysis

Current Law: 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.

LGTCAs 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 establishes that the local government is liable for tortious acts or omissions of its employees acting within the scope of employment. Thus, LGTCA prevents local governments from asserting a common law claim of governmental immunity from liability for such acts or omissions of its employees.

Background: IDACC was created by the Carroll County Commissioners in 1980 for the purpose of promoting and fostering economic development, encouraging industrial expansion, assisting in the retention of existing industry, and creating and sustaining employment.

A variety of entities are covered under the LGTCA, including the Howard County Economic Development Authority.

State Revenue: The Insurance Regulation Fund, within the Maryland Insurance Administration, is funded in part by premium taxes assessed on insurance companies at a rate of 2% of the gross or renewal insurance premiums. Inclusion in LGTCA will allow IDACC to save \$2,000 on insurance premiums each year. Thus, assuming all other variables remain constant, the annual revenues for the Insurance Regulation Fund will decrease annually by \$40 beginning in fiscal 2012 as a result of IDACC's reduced insurance premiums.

Local Expenditures: Annual expenditures for Carroll County decrease by \$2,000 as a result of decreased insurance premiums for IDACC. Carroll County advises that IDACC currently pays approximately \$5,000 in insurance premiums each year and expects to pay \$3,000 per year for comparable coverage through the Local Government Insurance Trust.

Additional Information

Prior Introductions: None.

Cross File: SB 464 (Carroll County Senators) - Judicial Proceedings.

Information Source(s): Carroll County, Judiciary (Administrative Office of the Courts), Maryland State Treasurer's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2011
mlm/kdm

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