HB1378/853229/1

BY: Judiciary Committee

AMENDMENTS TO HOUSE BILL 1378

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, before "Child" insert "Civil Actions –"; in the same line, strike "Claims Against the State – Time Limitation"; strike beginning with "prohibiting" in line 3 down through "date" in line 4 and substitute "altering certain provisions relating to the award of noneconomic damages to a claimant in an action for child sexual abuse; altering certain provisions relating to the liability of the State under the Maryland Tort Claims Act and of a local government under the Local Government Tort Claims Act for certain claims of child sexual abuse; altering certain provisions relating to the defense of sovereign immunity by a county board of education to certain claims of child sexual abuse; altering certain provisions relating to minimum liability insurance coverage requirements for county boards of education"; in line 8, after "5–117" insert ", 5–303(a), and 5–518(b) and (c)"; and after line 10, insert:

"BY repealing and reenacting, with amendments,

<u> Article - Education</u>

Section 4-105

Annotated Code of Maryland

(2022 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

<u>Article - State Government</u>

Section 12-104(a)

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)".

AMENDMENT NO. 2

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On page 2, in line 7, strike "an alleged incident or incidents" and substitute "<u>A</u> <u>CLAIM OR CLAIMS</u>"; in line 12, strike "an incident or occurrence" and substitute "<u>A</u> <u>CLAIM OR CLAIMS</u>"; in line 13, after "exceed" insert "<u>:</u>

(1) FOR AN ACTION FILED ON OR BEFORE MAY 31, 2025,";

in the same line, after "\$1,500,000" insert "; AND

(2) FOR AN ACTION FILED ON OR AFTER JUNE 1, 2025, \$700,000";

in lines 14, 16, and 17, in each instance, strike the brackets; in line 14, strike "(1)"; in the same line, strike "THIS SUBSECTION APPLIES ONLY TO ACTIONS"; in line 15, strike "UNDER THIS SECTION"; strike beginning with the period in line 16 down through "ACTION" in line 17; in line 17, strike "NOT"; and strike in their entirety lines 19 and 20 and substitute:

- "(E) IN ANY ACTION FOR DAMAGES FILED ON OR AFTER JUNE 1, 2025, ARISING OUT OF A CLAIM OR CLAIMS OF SEXUAL ABUSE THAT OCCURRED WHILE THE CLAIMANT WAS A MINOR, COUNSEL MAY NOT CHARGE OR RECEIVE FEES THAT EXCEED:
 - (1) 20% OF THE SETTLEMENT; OR
 - (2) 25% OF THE JUDGMENT.

<u>5–303.</u>

(a) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection, the liability of a local government may not exceed \$400,000 per an individual claim, and \$800,000 per total claims that arise from the same occurrence for damages resulting

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from tortious acts or omissions, or liability arising under subsection (b) of this section and indemnification under subsection (c) of this section.

- (2) The limits on liability provided under paragraph (1) of this subsection do not include interest accrued on a judgment.
- (3) If the liability of a local government arises from intentional tortious acts or omissions or a violation of a constitutional right committed by a law enforcement officer, the following limits on liability apply:
- (i) Subject to item (ii) of this paragraph, the combined award for both economic and noneconomic damages may not exceed a total of \$890,000 for all claims arising out of the same incident or occurrence, regardless of the number of claimants or beneficiaries who share in the award; and
- (ii) In a wrongful death action in which there are two or more claimants or beneficiaries, an award for noneconomic damages may not exceed 150% of the limitation established under item (i) of this paragraph, regardless of the number of claimants or beneficiaries who share in the award.
- (4) If the liability of a local government arises from [a claim] ONE OR MORE CLAIMS of sexual abuse, as defined in § 5–117 of this title, THAT OCCURRED WHEN THE CLAIMANT WAS A MINOR:
- (I) FOR AN ACTION FILED ON OR BEFORE MAY 31, 2025, the liability may not exceed \$890,000 to a single claimant for injuries arising from [an incident or occurrence] THE CLAIM OR CLAIMS; AND
- (II) FOR AN ACTION FILED ON OR AFTER JUNE 1, 2025, THE LIABILITY MAY NOT EXCEED \$400,000 TO A SINGLE CLAIMANT FOR INJURIES ARISING FROM THE CLAIM OR CLAIMS.

5-518.

(b) A county board of education, described under Title 4, Subtitle 1 of the Education Article, may raise the defense of sovereign immunity to:

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- (1) Any amount claimed above the limit of its insurance policy; or
- (2) <u>If self-insured or a member of a pool described under § 4–</u> 105(c)(1)(ii) of the Education Article:
- (i) Except as provided in item (ii) of this item, any amount above \$400,000; or
- (ii) If the liability of the county board of education arises from [a claim] ONE OR MORE CLAIMS of sexual abuse, as defined in § 5–117 of this title, THAT OCCURRED WHEN THE CLAIMANT WAS A MINOR:
- 1. FOR AN ACTION FILED ON OR BEFORE MAY 31, 2025, any amount above \$890,000 to a single claimant for THE CLAIM OR claims [arising from an incident or occurrence]; AND
- 2. FOR AN ACTION FILED ON OR AFTER JUNE 1, 2025, ANY AMOUNT ABOVE \$400,000 TO A SINGLE CLAIMANT FOR THE CLAIM OR CLAIMS.
- (c) (1) Except as provided in paragraph (2) of this subsection, a county board of education may not raise the defense of sovereign immunity to any claim of \$400,000 or less.
- (2) If liability of a county board of education arises under [a claim] ONE OR MORE CLAIMS of sexual abuse, as defined in § 5–117 of this title, THAT OCCURRED WHEN THE CLAIMANT WAS A MINOR:
- (I) FOR AN ACTION FILED ON OR BEFORE MAY 31, 2025, the liability may not exceed \$890,000 to a single claimant for injuries arising from [an incident or occurrence] THE CLAIM OR CLAIMS; AND
- (II) FOR AN ACTION FILED ON OR AFTER JUNE 1, 2025, THE LIABILITY MAY NOT EXCEED \$400,000 TO A SINGLE CLAIMANT FOR INJURIES ARISING FROM THE CLAIM OR CLAIMS.

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Article – Education

<u>4–105.</u>

- (a) (1) Each county board shall carry comprehensive liability insurance to protect the board and its agents and employees.
- (2) The purchase of insurance in accordance with paragraph (1) of this subsection is a valid educational expense.
- (b) (1) The State Board shall establish standards for these insurance policies, including a minimum liability coverage of not less than:
- (i) [\$890,000 for each occurrence] THE AMOUNTS SPECIFIED UNDER § 5–518(C)(2) OF THE COURTS ARTICLE for claims of sexual abuse made under § 5–117 of the Courts Article THAT OCCURRED WHEN THE CLAIMANT WAS A MINOR; and
 - (ii) \$400,000 for each occurrence for all other claims.
- (2) The policies purchased under this section shall meet these standards.
 - (c) (1) A county board complies with this section if it:
- (i) <u>Is individually self-insured for [at least \$890,000 for each occurrence under] THE AMOUNTS SPECIFIED UNDER § 5-518(C)(2) OF THE COURTS ARTICLE AND MEETS the rules and regulations adopted by the State Insurance Commissioner; or</u>
- (ii) <u>Pools with other public entities for the purpose of self-insuring property or casualty risks under Title 19, Subtitle 6 of the Insurance Article.</u>
- (2) A county board that elects to self–insure individually under this subsection periodically shall file with the State Insurance Commissioner, in writing, the terms and conditions of the self–insurance.
 - (3) The terms and conditions of this individual self–insurance:

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- (i) Are subject to the approval of the State Insurance Commissioner; and
- (ii) Shall conform with the terms and conditions of comprehensive liability insurance policies available in the private market.
- (d) A county board shall have the immunity from liability described under § 5–518 of the Courts and Judicial Proceedings Article.

Article - State Government

12-104.

- (a) (1) Subject to the exclusions and limitations in this subtitle and notwithstanding any other provision of law, the immunity of the State and of its units is waived as to a tort action, in a court of the State, to the extent provided under paragraph (2) of this subsection.
- (2) (i) Except as provided in subparagraphs (ii) and (iii) of this paragraph, the liability of the State and its units may not exceed \$400,000 to a single claimant for injuries arising from a single incident or occurrence.
- (ii) If liability of the State or its units arises from intentional tortious acts or omissions or a violation of a constitutional right committed by a law enforcement officer, the following limits on liability shall apply:
- 1. subject to item 2 of this subparagraph, the combined award for both economic and noneconomic damages may not exceed a total of \$890,000 for all claims arising out of the same incident or occurrence, regardless of the number of claimants or beneficiaries who share in the award; and
- <u>2.</u> <u>in a wrongful death action in which there are two or more claimants or beneficiaries, an award for noneconomic damages may not exceed</u>

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150% of the limitation established under item 1 of this item, regardless of the number of claimants or beneficiaries who share in the award.

- (iii) If liability of the State or its units arises under [a claim] ONE OR MORE CLAIMS of sexual abuse, as defined in § 5–117 of the Courts Article, THAT OCCURRED WHEN THE CLAIMANT WAS A MINOR:
- 1. FOR AN ACTION FILED ON OR BEFORE MAY 31, 2025, the liability may not exceed \$890,000 to a single claimant for injuries arising from [an incident or occurrence] THE CLAIM OR CLAIMS; AND
- 2. FOR AN ACTION FILED ON OR AFTER JUNE 1, 2025, THE LIABILITY MAY NOT EXCEED \$400,000 TO A SINGLE CLAIMANT FOR INJURIES ARISING FROM THE CLAIM OR CLAIMS.
- SECTION 3. AND BE IT FURTHER ENACTED, That the Supreme Court of Maryland may adopt rules to implement the provisions of this Act.
- SECTION 4. AND BE IT FURTHER ENACTED, That on or before January 31, 2027, and each January 31 thereafter, the Maryland Judiciary shall report the following information to the General Assembly in accordance with § 2-1257 of the State Government Article:
 - (1) the amount of each award made to a claimant under this Act; and
- (2) a summary of the sexual abuse claims underlying the award made to each claimant.";

in line 21, strike "2." and substitute "<u>5.</u>"; and in line 22, strike "October" and substitute "June".