

Bill No: SB 210—COVID-19 Claim—Civil Immunity

Committee: Judicial Proceedings

Date: 1/26/2021

Position: Support

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties. Members own and operate places where people work, shop and live. They also employ thousands of Marylanders. In this capacity, AOBA supports Senate Bill 210.

This bill provides that businesses, educational institutions, and healthcare facilities that act in compliance with all federal, state, and local statutes, rules, regulations, executive and agency orders related to COVID-19 shall be immune from civil liability for a COVID-19 claim unless gross negligence or intentional wrongdoing can be proven. The protections would only apply to claims between March 5, 2020 and 180 days after the expiration or rescission of the Governor's Declaration of State of Emergency. In essence, the bill ensures that employers and businesses following government and health guidance are not able to be sued in the unfortunate event a person believes they contacted COVID-19 at their business, office or multifamily community.

This bill affords an important protection to Maryland companies and employers. Businesses AOBA represents are already struggling due to capacity restrictions, decreased rent payments and an overall decline in the economy with rising unemployment rates —litigation could certainly force these besieged businesses to close permanently. Housing providers, businesses and organizations of all types and sizes have adapted practices and invested in various new technologies to ensure the safety of their communities while simultaneously keeping people employed. However, AOBA members remain concerned that, despite their efforts to follow applicable guidelines, they will be required to defend against a wave of frivolous lawsuits. The financial impact of these type of lawsuits nationally is significant. According to the U.S. Chamber Institute for Legal Reform, U.S. commercial tort liability cost \$343 billion in 2018.

Because there has yet to be any protection extended to businesses at the federal level, the responsibility falls to state governments to protect entities acting in the best

interest of the community and abiding by the rules. As of December 11, 2020, 20 states, including our neighbors in Washington D.C., Virginia and Pennsylvania have passed some type of COVID-19 protections from tort claims. In Maryland, Senate Bill 210 provides <u>temporary</u> protection, rather than blanket immunity, for good actors while allowing those who engage in gross negligence to face the consequences of their actions.

For these reasons AOBA urges a favorable report on SB 210.

For further information contact Erin Bradley, AOBA Vice President of Government Affairs, at 301-904-0814 or ebradley@aoba-metro.org.