



City of Havre de Grace

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February 4, 2021

The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Oppose - SB 602 – Tort Claims Acts – Limits on Liability

Chairman Smith and The Honorable Members of the Judicial Proceedings Committee

The City of Havre de Grace opposes Senate Bill 602. If passed, the legislation would create an unfunded mandate that increases the limits on the liability of a local government, from \$400,000 for an individual claim and \$800,000 for total claims to \$600,000 for an individual claim and \$1,200,000 for total claims as well as increase damages for individual claims by \$15,000 each year and would increase total claims that arise from the same occurrence, by \$30,000 each year in perpetuity.

Even more concerning is that the liability limits for law enforcement officers would be increased by economic damages without limit. In effect, this would be limited by the amount of insurance the City could afford. While the State is self-insured, most local governments must procure liability insurance. The City already must procure special insurance for law enforcement officers beyond that for our elected officials and civilian employees.

The City of Havre de Grace is considered one of the safest cities in the United States and does not compromise public safety. However, small municipalities struggle to balance budgets, and such a mandate as proposed by SB 602 will result in substantial additional insurance costs that cannot be measured.

If the Maryland General Assembly passes SB 602, the City could be put in a position to either raise taxes or reduce essential services to fund the additional insurance. The City of Havre de Grace suspects most large agencies will be able to redirect current spending to accommodate the

additional cost. The increase in liability, however, could very well force smaller municipalities to eliminate local law enforcement and seek County-level police protection.

For comparison's sake, out of the 157 municipal governments in Maryland, the City of Havre de Grace is the 18th largest, with Baltimore City considered the largest.

Havre de Grace Police Department has a force of 45 sworn and civilian staff. Baltimore City Police Department has a force of 3,100 sworn and civilian staff.

The Havre de Grace Police Department has a budget of five million dollars. In comparison, Baltimore City Police Department has a budget of five hundred million dollars.

It usually would not be realistic to compare these two police departments; however, if passed, SB 602 would apply the same unfunded mandate to both police agencies. The same unfunded mandate, even though the Baltimore City PD is the 8th largest municipal police force in the United States and has a budget that is a hundred times greater than Havre de Grace PD's.

It is not realistic to ask small municipal police forces to comply with a piece of legislation that will lead them scrambling to find ways to cut their budget and reduce public safety services to simply comply with the bill.

The City of Havre de Grace urges the committee to give SB 602 an unfavorable report.