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Judiciary Committee

Subcommittees

Juvenile Law

Public Safety



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## THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Chair Clippinger and Vice Chair Atterbeary House Judiciary Committee House Office Building Room 101 Annapolis, MD 21401

January 13, 2021

Dear Chair Clippinger, Vice Chair Atterbeary and Committee Members:

I am pleased to present House Bill 378 – Local Government Tort Claims Act – Definition of Local Government. This legislation expands the definition under the Local Government Tort Claims Act to include the Maryland Association of Counties Pooled OPEB Trust Fund. The Local Government Tort Claims Act allows citizens to bring a torts claim against local government officials or employees. If the local government official or employee is held liable, then the Act holds the local government responsible for any compensation awarded. As a means of insurance for these claims, the Maryland Association of Counties created a Pooled Trust for the counties, libraries, community colleges, and other government entities within their association. That fund currently has at least \$50 million in assets. The trustees that work for the Pooled Trust require insurance to protect them in cases of errors and/or omissions. Since the Maryland Association of Counties Pooled OPEB Trust Fund is not defined as a local government under the Local Government Tort Claims Act, trustees are not able to be insured by the Local Government Insurance Trust. As a result the trustees, do not have access to the fund and must resort to private insurance companies that overcharge and do not have a real understanding of what the trustee does. While the trustees do the same service as county employees of larger counties, they are not able to receive the same quality of insurance.

The Maryland General Assembly has a history of expanding the definition of local government within the Local Government Tort Claims Act. For example, in 2016 the General Assembly passed SB 1097, which expanded the definition of local government to include the Tri-County Council in Southern Maryland. In addition, this bill will have no financial impact on the state. It will save local governments from overpaying private insurance companies and give the trustees the proper insurance that they deserve.

For the above reasons, I respectfully request a favorable report on HB 378.

Sincerely,

Delegate Debra M. Davis

District 28, Charles County