

BRTC Testimony -- Senate Jud Proc - SB 743 - Febru

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Testimony to the Judicial Proceedings Committee

Hearing Date – February 18, 2025

Senate Bill 743: Civil Actions - Maryland Transit Administration - Limitation of Tort Liability

Chair Smith and members of the Judicial Proceedings Committee, I am Jon Laria, Chair of the Baltimore Regional Transit Commission (BRTC), testifying on SB 743 on behalf of the BRTC.

The BRTC was created by the Maryland General Assembly to provide oversight and advocacy for the Baltimore regional transit system, operated by the Maryland Transit Administration (MTA), and to ensure that diverse stakeholder perspectives are represented in agency decisions. The BRTC includes representatives from local government, transportation, industry, business, transit riders, transit advocates, labor, and the Moore-Miller Administration.

In 2024, the BRTC undertook to identify challenges facing MTA's cost-effective delivery of transit services and efficient use of its limited resources. *We were surprised to discover that MTA is the only state agency not covered by the Maryland Tort Claims Act (the "Tort Claims Act"), which limits state liability in tort actions to \$400,000 to a single claimant for injuries arising from a single incident or occurrence. In fact, MTA is the only state agency with unlimited liability.*

This unique and inequitable treatment of MTA, exposing it to unlimited liability, places a significant strain on resources that could otherwise be dedicated to enhancing transit services for Marylanders. Unpredictable financial burdens arising from unlimited liability can divert critical funding away from safety improvements, service enhancements, and infrastructure investments. Reducing MTA's liability exposure would also likely reduce insurance requirements which MTA must impose on its contractors, which costs have apparently been an impediment to the participation of certain small businesses who seek to do business with MTA. Moreover, continued imposition of unlimited liability on MTA, which is funded by the Transportation Trust Fund (TTF), is directly contrary to ongoing efforts by the General Assembly to augment the TTF.

Our best understanding is that MTA is not subject to the Tort Claims Act because MTA was a private company until acquired by the state decades ago, and in private form would not have been entitled to liability limits afforded the state by statute. Decades later, however, there is no justification for retaining this exclusion, and MTA should be entitled to the usual protections granted to other state agencies.

We appreciate Senator Smith's willingness to introduce Senate Bill 743 to correct this long-standing inequity by adding an MTA liability limit into MTA's authorizing legislation in the Transportation Article, one exactly mirroring the Tort Claims Act limit.

On behalf of the BRTC, I urge your support for SB 743 to help ensure the continued operational success of the MTA and its mission of providing reliable, high-quality transit services for Maryland residents.

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SB0743 - MTA - LOS - Tort Liability Limit.pdf

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February 18, 2025

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

**Re: *Letter of Support – Senate Bill 743 – Civil Actions - Maryland Transit Administration -
Limitation of Tort Liability***

Dear Chair Smith and Committee Members:

The Maryland Department of Transportation supports Senate Bill 743 as it establishes a fair and reasonable liability cap of \$400,000 per claimant for injuries arising from a single incident, aligning the Maryland Transit Administration (MTA) with other State agencies and ensuring financial stability while maintaining accountability.

As a vital public transportation provider, MTA faces unique liability challenges due to its exclusion from the Maryland Tort Claims Act. Without a cap, the administration is exposed to unlimited liability, which places significant strain on resources that could otherwise be dedicated to enhancing transit services for Marylanders. High litigation costs, extensive legal processes, and unpredictable financial burdens can divert essential funding away from safety improvements, service enhancements, and infrastructure investments. Implementing a liability limit would allow MTA to better allocate its resources toward its core mission—providing safe, efficient, and reliable transit options to the public.

Currently, MTA self-insures for incidents on its core modes – \$5 million for incidents on Light Rail or Metro Subway, and \$10 million for Bus incidents. In Fiscal Year 2025, this accounts for over \$14 million of MTA’s budget. MTA must also require higher levels of insurance for its contractors, which results in higher capital and operating costs to the agency. It is important to note that this legislation does not affect MTA’s obligations under federal law regarding MARC train operations, which will continue to meet the required insurance coverage levels. SB 743 represents a responsible and balanced approach to liability management that protects both the agency and the communities it serves.

By passing SB 743, the General Assembly can support MTA in delivering high-quality transit services while ensuring financial sustainability. This legislation is a crucial step toward strengthening Maryland’s transportation network and safeguarding resources for future transit improvements.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 743 a favorable report.

Respectfully Submitted,

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2025 WRITTEN TESTIMONY SB681/HB926

Civil Actions – Maryland Transit Administration – Limitation of Tort Liability

SB743 – UNFAVORABLE

The Maryland Association for Justice respectfully requests an unfavorable report on SB 743. SB743 seeks to provide special tort protections for negligence committed by the Maryland Transit Administration (“MTA”). Granting this special protection to the MTA will only serve to limit access to justice of Marylanders who suffer injury or death as a result of the MTA’s negligence.

SB 743 seeks to limit the damages that are available to Maryland citizens when they are injured by the negligence of the MTA and its agents, servants, and employees to only \$400,000. SB 743 would impose this limit regardless of the severity of the injury caused by the MTA, up to and including disfigurement and death.

Various versions of this bill have been introduced in previous sessions. *See, e.g.*, HB 1130 (2007); SB 0832 (2019); SB 0032 (2021). In 2021, MTA Administrator, Kevin B. Quinn Jr. submitted a letter in support of SB 0032 which sought to limit recoveries of injured victims to \$800,000 (double the limit proposed in SB 743). Mr. Quinn acknowledged that the MTA **“operates modes of transportation that can pose a risk of severe personal injuries.”** https://mgaleg.maryland.gov/cmte_testimony/2021/jpr/528_01142021_91615-459.pdf (emphasis added).

Mr. Quinn went on to state that MTA is “self-insure[d] for up to \$10 million per bus accident occurrence and \$5 million per other types of tort occurrences.” *Id.* The fiscal note for SB 0032 provides that MTA also carries “excess liability coverage totaling \$295 million for bus accidents and \$500 million for rail accidents.” Clearly, therefore, the MTA has ample access to insurance markets, and has not complained that liability insurance or excess insurance has ever been unavailable or unaffordable.

The MTA provides transportation for millions of Marylanders every week.¹ Limiting the liability of the MTA for negligent conduct will not benefit those Marylanders. Rather, SB 743 will simply deprive injured people of their right to full and fair compensation under the law.

The Maryland Association for Justice urges a UNFAVORABLE Report on SB743

About Maryland Association for Justice

The Maryland Association for Justice (MAJ) represents over 1,250 trial attorneys throughout the state of Maryland. MAJ advocates for the preservation of the civil justice system, the protection of the rights of consumers and the education and professional development of its members.

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¹ See Ridership Report Third Quarter 2024, American Public Transportation Association, available at <https://www.apta.com/wp-content/uploads/2024-Q3-Ridership-APTA.pdf>.