



Senate Bill 993

Local Government Tort Claims Act - Definition of Local Government

MACo Position: **SUPPORT**

To: Judicial Proceedings Committee

Date: March 17, 2022

From: Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** SB 993. This bill adds two additional entities to a list of those performing governmental services outside the formal local government structure, to be covered under the Local Government Tort Claims Act.

Delmarva Community Services, Inc., is a multi-service organization dedicated to assisting local residents in maintaining their dignity and independence. They serve residents and clients across multiple counties on the Eastern Shore of Maryland. In many respects, the services they deliver mirror those offered by county governments through Citizen Services departments or the like.

The MACo Pooled OPEB Trust is a vehicle designed and formed by and for local governments to collaborate in their effort to invest current funds toward long-term liabilities, specifically for employee health insurance coverage. For counties and other local governmental units, such a financial plan is widely viewed positively as a best practice, and the pooled Trust enables Maryland local governments to do so while sharing overhead costs. In essence, this Trust serves the same function that an investment committee of a larger government might accomplish on its own.

SB 993 seeks to specify that these two entities, clearly performing a governmental function on behalf of their member units, are a covered entity under Maryland's Local Government Tort Claims Act. This would ensure that the government employees are insured by the Trust for their actions in this specific capacity, and that the entity receives the same treatment as other governments and comparable entities under the State's tort laws.

The more immediate case for SB 993 is that this clarification would allow the two entities to receive insurance through yet another instrument of Maryland local governments, the Local Government Insurance Trust (LGIT). Under LGIT's forming documents, it may only serve members that are under the Local Government Tort Claims Act, as its underwriting and rate-setting structure is wholly predicated on those laws. SB 993 would enable insurance for the Pooled Trust that is closer to home, and more affordable, since LGIT more clearly understands the limited role of an admittedly peculiar entity.

SB 993 would include two quasi-governmental service entities under tort laws for local governments, and allow them to receive insurance coverage tailored to its limited scope, saving member jurisdictions some overhead costs and promoting this best practice. For these reasons, MACo **SUPPORTS** SB 993 and urges a **FAVORABLE** report.