



125th MAINE LEGISLATURE

LD 1256

LR 1890(02)

An Act Concerning Tort Claims and Governmental Entities

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Judiciary

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - All Funds

Potential state mandate - Exempted

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Appropriations/Allocations				
Risk Management Fund	\$56,808	\$74,425	\$76,403	\$77,761

State Mandates

Required Activity

Defending themselves as a result of additional tort claims and obtaining the necessary insurance protections may represent an indirect modification of a municipal activity.

Unit Affected

Municipality

Local Cost

Significant statewide

The indirect modification of local activities in this bill may represent a State mandate pursuant to the Constitution of Maine. Pursuant to the Mandate Preamble, the two-thirds vote of all members elected to each House exempts the state from the constitutional requirement to fund 90% of the additional costs.

Fiscal Detail and Notes

This legislation will increase costs to local governments in the form of higher costs for insurance protections and added legal costs. The impact to individual municipalities cannot be determined at this time and will depend on actual experience. The bill includes an allocation to the Division of Risk Management of \$56,808 in fiscal year 2011-12 and \$74,425 in fiscal year 2012-13 for one Assistant Risk Assessor position to review a large number of vendor contracts for adequate insurance protections. In addition, the State will be responsible for every successful claim up to the tort limit of \$400,000 per occurrence. The amount passed on to state agencies by the Division of Risk Management over and above the cost of the position cannot be determined at this time and will depend on actual experience. The additional costs to the Department of the Attorney General can be absorbed utilizing existing budgeted resources.

The Maine Community College System also anticipates increased staff, insurance and liability costs of approximately \$30,000 per year as a result of this legislation. This estimate assumes the system will have to defend an average of 2 cases per year. The actual cost to the system may be higher or lower depending on actual experience.