FILED ON: 1/19/2023

HOUSE No. 1526

The Commonwealth of Massachusetts

PRESENTED BY:

Carmine Lawrence Gentile, (BY REQUEST)

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to repeal and replace G.L. c. 258.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Henry P. Sorett	58 Longfellow Road, Sudbury, Massachusetts 01776	1/19/2023
	THUS SECTION SETTING	

HOUSE No. 1526

By Representative Gentile of Sudbury (by request), a petition (accompanied by bill, House, No. 1526) of Henry P. Sorett relative to claims and indemnity procedures for the Commonwealth, municipalities, counties and districts and their officers and employees. The Judiciary.

The Commonwealth of Alassachusetts

In the One Hundred and Ninety-Third General Court (2023-2024)

An Act to repeal and replace G.L. c. 258.

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Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 G.L. c. 258, GL c. 84 s15 and G.L. c. 81 s18 shall be repealed and replaced by the following:

Section 1: All persons harmed by the Commonwealth or by any city, town, county or any other governmental agency or their employees or agents shall be entitled to prompt, fair and reasonable compensation for their losses. No officers, employees or agents of any city, town, county or any other governmental agency shall be personally liable for any such claims and shall be indemnified for their losses and defense costs by their employer. Provided, however, there shall be no right to indemnification if the acts at issue were knowing, willful, intentional, corrupt or committed with wanton disregard for the lives or safety of others. Employers shall have the discretion to indemnify employees for acts which were knowing, willful, intentional or committed with wanton disregard for the lives or safety of others. Any collective bargaining agreement requiring indemnification for such acts shall be null, void and unenforceable.

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As used in this chapter the following words shall have the following meanings:—

"Acting within the scope of office or employment", Every person acting within the scope of that person's employment and acting in the performance of any lawfully ordered military duty, in the case of an officer or soldier of the military forces of the commonwealth,

'Executive officer of a public employer", the secretary of an executive office of the commonwealth, or in the case of an agency not within the executive office, the attorney general; the adjutant general of the military forces of the commonwealth; the county commissioners of a county; the mayor of a city, or as designated by the charter of the city; the select board of a town or as designated by the charter of the town; and the board, directors, or committee of a district in the case of the public employers of a district, in the case of the Massachusetts Bay

Transportation Authority, its general manager and rail and transit administrator, and, in the case of any other public employer, the nominal chief executive officer or board.

"Public attorney", the attorney who shall defend all civil actions brought against a public employer pursuant to this chapter. In the case of the commonwealth it shall be the attorney general; in the case of any county it shall be the district attorney as designated in sections twelve and thirteen of chapter twelve; in the case of a city or town it shall be the city solicitor or town counsel, or, if the town has no such counsel, an attorney employed for the purpose by the select board; in the case of a district it shall be an attorney legally employed by the district for that purpose; and, in the case of the Massachusetts Bay Transportation Authority, the attorney shall be the general counsel. A public attorney may also be an attorney furnished by an insurer

obligated under the terms of a policy of insurance to defend the public employer against claims brought pursuant thereto.

'Public employee", elected or appointed, officers or employees of any public employer, whether serving full or part-time, temporary or permanent, compensated or uncompensated, and officers or soldiers of the military forces of the commonwealth. For purposes of this chapter, the term "public employee" shall include an approved or licensed foster caregiver with respect to claims against such caregiver by a child in the temporary custody and care of such caregiver or an adult in the care of such caregiver for injury or death caused by the conduct of such caregiver; provided, however, that such conduct was not intentional, or wanton and willful, or grossly negligent. For this purpose, a caregiver of adults means a member of a foster family, or any other individual, who is under contract with an adult foster care provider as defined and certified by the division of medical assistance.

"Public employer", the commonwealth and any county, city, town, educational collaborative, or district, including the Massachusetts Department of Transportation, the Massachusetts Bay Transportation Authority, any duly constituted regional transit authority and the Massachusetts Turnpike Authority and any public health district or joint district or regional health district or regional health board established pursuant to the provisions of section twenty-seven A or twenty-seven B of chapter one hundred and eleven, and any department, office, commission, committee, council, board, division, bureau, institution, agency or authority thereof including a local water and sewer commission including a municipal gas or electric plant, a municipal lighting plant or cooperative which operates a telecommunications system pursuant to

section 47E of chapter 164, department, board and commission, which exercises direction and control over the public employee, but not a private contractor with any such public employer, the Massachusetts Port Authority, or any other independent body politic and corporate. With respect to public employees of a school committee of a city or town, the public employer for the purposes of this chapter shall be deemed to be said respective city or town.

"Serious personal injury", bodily injury which results in a permanent or temporary disfigurement, or loss or impairment of a bodily function, limb or organ, debilitating emotional or psychological harm, or for which medical costs or lost wages exceed \$2,500.00, or death.

"Serious property damage or financial harm", damage to the property of any person, corporation or other legally created entity of a value of greater than \$2,500 provided however that this minimum limit shall not apply to motor vehicles or personal residences or loss or money or property.

Section 3: Liability; exclusiveness of remedy; cooperation of public employee; subsequent actions; representation by public attorney

Public employers shall be liable for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any public employee while acting within the scope of that person's office or employment, in the same manner and to the same extent as a private individual under like circumstances, except that public employers shall not be liable to levy of execution on any real and personal property to satisfy judgment except as provided for herein, and shall not be liable for punitive damages. The remedies provided by this chapter shall be exclusive of any other civil action or proceeding by reason of the same subject matter against the public employer or, the public employee or their estates whose negligent or wrongful act or

omission gave rise to such claim, and no such public employee or the estate of such public employee shall be liable for any injury or loss of property or personal injury or death caused by the employee's negligent or wrongful act or omission while acting within the scope of that employee's office or employment except as provided for herein; provided, however, that a public employee shall provide reasonable cooperation to the public employer in the defense of any action brought under this chapter. Failure to provide such reasonable cooperation on the part of a public employee shall cause the public employee to be jointly liable with the public employer, to the extent that the failure to provide reasonable cooperation prejudiced the defense of the action. Information obtained from the public employee in providing such reasonable cooperation may not be used as evidence in any disciplinary action against the employee. Final judgment in an action brought against a public employer under this chapter shall constitute a complete bar to any action by a party to such judgment against such public employer or public employee by reason of the same subject matter. The prevailing plaintiff may undertake all actions necessary to enforce a final judgment.

Notwithstanding that a public employee shall not be liable for negligent or wrongful acts as described in the preceding paragraph, if a cause of action is improperly commenced against a public employee of the commonwealth alleging injury or loss of property or personal injury or death as the result of the negligent or wrongful act or omission of such employee, said employee may request representation by the public attorney of the commonwealth. The public attorney shall defend the public employee with respect to the cause of action at no cost to the public employee; provided, however, that the public attorney determines that the public employee was acting within the scope of the employee's office or employment at the time of the alleged loss, injury, or death, and, further, that said public employee provides reasonable cooperation to the

public employer and public attorney in the defense of any action arising out of the same subject matter. If, in the opinion of the public attorney, representation of the public employee, under this paragraph would result in a conflict of interest, the public attorney shall not be required to represent the public employee. Under said circumstances, the commonwealth shall reimburse the public employee for reasonable attorney fees incurred by the public employee in defense of the cause of action; provided, however, that the same conditions exist which are required for representation of said employee by the public attorney under this paragraph.

Notwithstanding the foregoing, a public employee may be held to be personally liable for intentionally causing harm or by causing harm knowingly, wantonly and in willful disregard of the lives, safety or property of any person.

Section 4: Venue; jurisdiction

All civil actions brought against a public employer on a claim for damages cognizable under this chapter shall be brought in the county where the claimant resides or in the county where such public employer is situated, except that in the case of the commonwealth such civil actions shall be brought in the county where the claimant resides or in Suffolk county. The superior court shall have jurisdiction of all civil actions brought against a public employer. The district court and housing court shall have jurisdiction of actions brought against housing authorities pursuant to sections twenty-one to twenty-five, inclusive, of chapter two hundred and eighteen. The District Court shall also have jurisdiction for all claims having a value of less than \$100,000.00. The District Court small claims jurisdiction and procedures shall be available to claimants whose claims have a value of less than \$7,000.00.

In the event that a suit is filed in the wrong court, that court shall transfer the suit to court having actual jurisdiction and the court shall promptly give notice to all parties.

Section 5 Instituting Claims; limitations of actions:

Any person who claims to have suffered injury or harm due to the negligence, acts or omissions of a public employee may commence an action in the Courts of the Commonwealth by filing a complaint. There shall be no requirement to make a presentment prior to filing suit.

Service of process shall be made, in the case of a city on the mayor, city clerk, city counsel or public attorney, in the case of a town on the town manager, chair of the select board, town clerk, public attorney or town counsel, in the case of Mass. Port and the MBTA on the chief executive officer, agency counsel, public attorney or chair of the board of directors, in the case of any other agency or board, on its chief executive officer or general counsel. It shall not be a defense that service was not made on the proper person within a public employer so long as that entity has been given actual knowledge of the suit.

No civil action may be brought more than three years after the date on which the cause of action accrued; provided, however, that an action which relates to the sexual abuse of a minor, as defined in said section 4C of said chapter 260, shall be governed by section 4C1/2 of said chapter 260.

Upon receipt of service of process, a public employer may answer in the ordinary course, file a certificate of investigation and obtain a stay of the duty to answer for 90 days or file a request for mediation and obtain a stay for 120 days. If the public employer files a request for mediation, it shall provide the plaintiff with all information and documents it has concerning the matter at issue and arrange for a mediation with any court certified mediation program or before

a mutually agreed upon independent mediator. In any mediation the public employer shall bargain in good faith demonstrating integrity and honesty for the purposes of arriving at a fair and reasonable resolution. The time for mediation may be extended for not more than 90 days by a request made by all parties. If mediation causes a settlement to be achieved, the parties shall file a joint motion for entry of judgment and the issuance of an execution. No confidentiality terms may be included in any settlement agreement, provided however, that a court may impound all or part of the information provided if it is convinced that there is a compelling need for confidentiality. All information about the identity of a child who was the victim of sexual abuse shall be impounded. After the answer is filed or the expiration of any stay, the public employer shall answer and discovery shall proceed in the ordinary course. No public employer or public employee may require arbitration of any issue or claim arising under this act and any contract or agreement purporting to require arbitration shall be null, void and unenforceable

If the attorney general or any district attorney reasonably believe that discovery as to a claim will impair a pending criminal investigation or prosecution or would reveal confidential methods and means of investigation or the identity of confidential informants, the attorney general or any district attorney may intervene in an action pending under this act and ask the Court to stay discovery and the trial date for not more than one year. The attorney general and the district attorneys shall have the burden of persuading the Court that the public interest requires a stay and may make in camera submissions to the Court to attempt to meet that burden. A stay so entered may be extended for a period of one additional year for good cause shown. The Court may also enter such protective orders as the interests of justice might require if it is persuaded by clear and convincing evidence of the need for such an order.

The provisions of this section shall not apply to such claims as may be asserted by third-party complaint, cross claim, or counter-claim, or to small claims brought against housing authorities pursuant to sections twenty-one to twenty-five, inclusive, of chapter two hundred and eighteen; provided however, that no small claim shall be brought against a housing authority more than three years after the date upon which the cause of action arose.

Section 6: Compromise or settlement of claims; subsequent actions

The executive officer of a public employer may mediate, compromise or settle any claim for damages under this chapter; provided, that any award, compromise or settlement in excess of two thousand five hundred dollars shall be made only with the prior approval of the public attorney for such public employer; provided further, however, that in any case where the public employer is the commonwealth, any award, compromise or settlement in excess of twenty thousand dollars shall be made only with the prior approval of the secretary of administration and finance. A person designated by the public attorney or secretary of administration and finance having actual authority to make settlements and commit to the entry of a final judgment shall attend all mediations either in person or virtually and said person shall be required to bargain in good faith. In the event that a public employer fails to attend or bargain in good faith then the claimant may apply to the court for such sanctions, costs, expenses and legal fees as may be appropriate and a court may impose those to obtain compliance with this statute and deter misconduct.

The acceptance by the claimant of any such award, compromise or settlement approved by the Court shall be in writing and shall, except when procured by fraud, be final and conclusive on the claimant, and shall constitute a complete release of any claim against the

public employer or against the public employee whose negligent or wrongful act or omission gave rise to such a claim, and a complete bar to any action by the claimant against such public employer or public employee, by reason of the same subject matter. Provided, however, if the public employer or public employee is found to have committed fraud or to have withheld evidence helpful to a claimant, the claimant may petition to set aside the settlement reopen the case. The claimant seeking to set aside a settlement shall have the burden of persuade the court by clear and convincing evidence that the misconduct occurred and that it materially impaired the claimant's ability to prove the case.

Section 7: Defense of actions

Section 7. The public attorney shall defend all civil actions brought against a public employer or public employee of the commonwealth pursuant to this chapter. If the public attorney has a conflict of interest, the employer shall retain independent counsel and pay that attorney's reasonable fees and costs. If a public employee is sued for claims as to which there is no right of indemnification that employee may retain counsel of the employee's choosing and at the employee's expense and then that attorney shall take over the defense or, at the discretion of the public attorney and so long as no conflict of interest exists, act as co-counsel.

Section 8: Finality of judgments; subsequent actions

Section 8. Any award, compromise or settlement of a civil action brought under this chapter in excess of twenty thousand dollars which has been approved by a public attorney for a public employer, or, in the case where the public employer is the commonwealth, approved by the secretary of administration and finance, shall be made final only after approval of same by a

judge of the superior court, district court or housing court having jurisdiction over the action. Provided, however, a judge shall approve all settlements arrived at during mediations attended by persons designated by the public attorney or secretary and authorized by said persons. Further provided no judge shall approve any settlement obtained by fraud, deception, coercion or threats and any claimant who contends that such misconduct occurred may raise such matters at any hearing to approve a settlement. A final judgment and execution shall be entered in accordance with an approved settlement.

The acceptance by the claimant of any such award, compromise or settlement shall be in writing and shall, except when procured by fraud, deception, coercion or threats be final and conclusive on the claimant, and shall constitute a complete release of any claim against the public employer or against the public employee whose negligent or wrongful act or omission gave rise to such claim, and a complete bar to any action by the claimant against such public employer or public employee, by reason of the same subject matter.

In the event that a public employer or person not entitled to indemnification fails to pay the full amount of any settlement or judgment, the claimant may apply to the court to enforce the settlement or judgment. In the event that the settlement or judgment is against a public employer, the court may order the sheriff of the county in which the public employer is located to levy against the accounts of said public employer and seize the funds necessary to satisfy the settlement or judgment. In the event that a settlement or judgment is against a person not entitled to indemnification then the claimant shall have all rights accorded to a judgment creditor.

Section 9: Insurance

Section 9. The attorney general shall be responsible for procuring insurance for all public employers. The costs of this coverage shall be allocated ratably and proportionally to the Commonwealth, cities, towns, counties and all other public employers. The attorney general shall be responsible for managing the handling of all claims made under this statute and shall be responsible for requiring the insurer to handle claims fairly, reasonably and promptly in accordance with the intent of this statute. If the attorney general determines that it would be more efficient and fair to manage claims and comply with this statute's intent by creating, managing and operating a self-insurance program, then the attorney general may create a selfinsurance program, set reserves, manage claims and handle them in accordance with the intent of this statute. The costs of this self-insurance program shall be allocated ratably and proportionally to the Commonwealth, cities, towns, counties and all other public employers. The attorney general shall have the authority to promulgate regulations to establish bidding criteria, specifications and protocols for awarding contracts for insurance or to promulgate regulations to operate a self insurance program. Any insurer selected to insure against claims shall be required to provide for the prompt, fair and reasonable resolution of claims and lawsuits understanding that the intended beneficiaries of the insurance program are those who have been injured. Any self insurance program shall have the same goals. The attorney general shall be responsible for the accomplishment of these goals.

Section 10: Indemnity of public employees

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Section 10. Public employers may indemnify public employees, and the commonwealth shall indemnify persons holding office under the constitution, from personal financial loss, all damages and expenses, including legal fees and costs, if any, in an amount not to exceed \$10,000,000 arising out of any claim, action, award, compromise, settlement or judgment by

reason of an intentional tort, or by reason of any act or omission which constitutes a violation of the civil rights of any person under any federal or state law, if such employee or official or holder of office under the constitution at the time of such intentional tort or such act or omission was acting within the scope of official duties or employment. No such employee or official, other than a person holding office under the constitution acting within the scope of that employee's official duties or employment, shall be indemnified under this section for violation of any such civil rights if he acted in an intentional, grossly negligent, willful or malicious manner.

For purposes of this section, persons employed by a joint health district, regional health district or regional board of health, as defined by sections twenty-seven A and twenty-seven B of chapter one hundred and eleven, shall be considered employees of the city or town in which said incident, claim, suit, or judgment is brought pursuant to the provisions of this chapter.

Section 11: Actions against members of police force; indemnity

Section 11. If, in the event a suit is commenced against a member of the state police or an employee represented by state bargaining unit five, by reason of a claim for damages resulting from an alleged intentional tort or by reason of an alleged act or failure to act which constitutes a violation of the civil rights of any person under federal or state law, the commonwealth, at the request of the affected police officer, shall provide for the legal representation of said police officer.

The commonwealth shall indemnify members of the state police or an employee represented by state bargaining unit five, respectively, from all personal financial loss and expenses, including but not limited to legal fees and costs, if any, in an amount not to exceed ten million dollars arising out of any claim, action, award, compromise, settlement or judgment

resulting from any alleged intentional tort or by reason of an alleged act or failure to act which constitutes a violation of the civil rights of any person under federal or state law; provided, however, that this section shall apply only where such alleged intentional tort or alleged act or failure to act occurred within the scope of the official duties of such police officer.

No member of the state police or an employee represented by state bargaining unit five shall be indemnified for any violation of federal or state law if such member or employee acted in a willful, wanton, or malicious manner.

Section 12: Application of Secs. 1 to 8

- Section 12. The provisions of sections one to eight, inclusive, shall not apply to:—
- (a) any claim based upon an act or omission of a public employee when such employee is exercising due care in the execution of any statute or any regulation of a public employer, or any municipal ordinance or by-law, whether or not such statute, regulation, ordinance or by-law is valid;
- (b) any claim arising in respect of the assessment or collection of any tax, or the lawful detention of any goods or merchandise by any law enforcement officer in accordance with a duly authorized court order or writ of execution;
- (c) any claim based upon the issuance, denial, suspension or revocation or failure or refusal to issue, deny, suspend or revoke any permit, license, certificate, approval, order or similar authorization unless based on intentional wrongdoing;
- (d) any claim based upon the failure to inspect, or an inadequate or negligent inspection, of any property, real or personal, to determine whether the property complies with or violates

any law, regulation, ordinance or code, or contains a hazard to health or safety, except as otherwise provided in clause (1) of subparagraph (j).

- (e) any claim based upon the failure to establish a fire department or a particular fire protection service, or if fire protection service is provided, for failure to prevent, suppress or contain a fire, or for any acts or omissions in the suppression or containment of a fire, but not including claims based upon the negligent operation of motor vehicles or as otherwise provided in clause (1) of subparagraph (j).
- (f) any claim based upon the failure to establish a police department or a particular police protection service, or if police protection is provided, for failure to provide adequate police protection, prevent the commission of crimes, investigate, detect or solve crimes, identify or apprehend criminals or suspects, arrest or detain suspects, or enforce any law, but not including claims based upon the negligent operation of motor vehicles, negligent protection, supervision or care of persons in custody, or as otherwise provided in clause (1) of subparagraph (j).
- (g) any claim based upon the release, parole, furlough or escape of any person, including but not limited to a prisoner, inmate, detainee, juvenile, patient or client, from the custody of a public employee or employer or their agents, unless gross negligence is shown in allowing such release, parole, furlough or escape.
- (h) any claim based on the actions of judges, clerks, assistant clerks or employees of the judicial branch except for criminal acts or violations of their oaths of office or for their negligence in the operation of motor vehicles.
- (i) any claims based on the actions of prosecutors employed by the Commonwealth or any county for actions in the performance of their duties or the exercise of discretion afforded to

them by operation law except for criminal acts, the intentional withholding of exculpatory evidence, suborning perjury or for their negligence in the operation of motor vehicles.

- (j) any claim based on an act or failure to act to prevent or diminish the harmful consequences of a condition or situation, including the violent or tortious conduct of a third person, which is not originally caused by the public employer or any other person acting on behalf of the public employer. This exclusion shall not apply to:
- (1) any claim based upon explicit and specific assurances of safety or assistance, beyond general representations that investigation or assistance will be or has been undertaken, made to the direct victim or a member of that person's family or household by a public employee, provided that the injury resulted in part from reliance on those assurances. A permit, certificate or report of findings of an investigation or inspection shall not constitute such assurances of safety or assistance; and
- (2) any claim based upon the intervention of a public employee which causes injury to the victim or places the victim in a worse position than he was in before the intervention; and
 - (3) any claim based on negligent maintenance of public property;
- (4) any claim by or on behalf of a patient for negligent medical or other therapeutic treatment received by the patient from a public employee.

Nothing in this section shall be construed to modify or repeal the applicability of any existing statute that limits, controls or affects the liability of public employers or entities except as provided for herein.

Section 13: Frivolous claims; costs; subsequent actions

Section 13. If the judgment in any action brought under this chapter is in favor of the public employer, judgment for costs and execution thereon may issue in favor of the public employer, if the court finds the action brought by the claimant to have been frivolous or in bad faith, and final judgment on the action shall be a bar to any other or further action being brought on the same claim or subject matter. If the judgment in any action is in favor of the claimant and the court finds that the public employer has acted frivolously or in bad faith then the court shall award the claimant reasonable legal fees and costs. The provisions of G.L. c. 231 sec. 6f shall apply.

Section 14: Enforcement of claims

Section 14. Claims against the commonwealth or any public employer, except as otherwise expressly provided in this chapter or by any general or special provision of law, may be enforced in the superior court or in the district court which adjudicated a matter.

Note – expanded to cover all public employers and to allow district courts to enforce their judgments.

Section 15: Indemnity of municipal officials

Section 15. Any city or town which accepted section one hundred I of chapter forty-one on or before July twentieth, nineteen hundred and seventy-eight, and any other city which accepts this section according to its charter, and any town which accepts this section in the manner hereinafter provided in this section shall indemnify and save harmless municipal officers, elected or appointed from personal financial loss and expense including reasonable legal fees and costs, if any, in an amount not to exceed ten million dollars, arising out of any claim, demand, suit or judgment by reason of any act or omission, except an intentional violation of

civil rights of any person, if the official at the time of such act or omission was acting within the scope of the employee's official duties or employment.

This act shall be submitted for acceptance to the voters of each town at an annual town meeting in the form of the following question which shall be placed on the official ballot to be used for the election of town officers at said meeting:—"Shall the town vote to accept the provisions of section thirteen of chapter two hundred and fifty-eight of the General Laws which provides that the town shall indemnify and save harmless municipal officers, elected or appointed, from personal financial loss and expense including reasonable legal fees and costs, if any, in an amount not to excess of ten million dollars, arising out of any claim, demand, suit or judgment by reason of any act or omission except an intentional violation of civil rights of any person under any law, if the official at the time of such act or omission was acting within the scope of the employee's official duties or employment?" If a majority of the votes in answer to said question is in the affirmative, said provisions shall thereupon take full effect, but not otherwise.

Section 16: For the purpose of satisfying liens for past due child support, securing repayment of public assistance benefits, and past taxes, a public employer shall comply with sections 24D, 24E, and 24F of chapter 175 and any regulations promulgated thereunder in the same manner as if it were a company authorized to issue policies of insurance pursuant to said chapter 175.

Section 17: If any portion of this statute is determined to be unconstitutional or unenforceable then the remaining provisions shall remain in full force and effect to accomplish

- 384 the intent of this statute. The provisions of this act shall apply only to events or occurrences
- 385 subsequent to the date of enactment of this statute.