

(2) A local government may not assert governmental or sovereign immunity to avoid the duty to defend or indemnify an employee established in this subsection.

(c) (1) A local government may not be liable for punitive damages.

(2) (I) SUBJECT TO SUBSECTION (A) OF THIS SECTION AND EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A LOCAL GOVERNMENT MAY INDEMNIFY AN EMPLOYEE FOR A JUDGMENT FOR PUNITIVE DAMAGES ENTERED AGAINST THE EMPLOYEE.

(II) A LOCAL GOVERNMENT MAY NOT INDEMNIFY A LAW ENFORCEMENT OFFICER FOR A JUDGMENT FOR PUNITIVE DAMAGES IF THE LAW ENFORCEMENT OFFICER HAS BEEN FOUND GUILTY UNDER ARTICLE 27, § 731 OF THE CODE AS A RESULT OF THE ACT OR OMISSION GIVING RISE TO THE JUDGMENT.

(3) A LOCAL GOVERNMENT MAY NOT ENTER INTO AN AGREEMENT THAT REQUIRES INDEMNIFICATION FOR AN ACT OR OMISSION OF AN EMPLOYEE THAT MAY RESULT IN LIABILITY FOR PUNITIVE DAMAGES.

(d) Notwithstanding the provisions of subsection (b) of this section, this subtitle does not waive any common law or statutory defense or immunity in existence as of June 30, 1987, and possessed by an employee of a local government.

(e) A local government may assert on its own behalf any common law or statutory defense or immunity in existence as of June 30, 1987, and possessed by its employee for whose tortious act or omission the claim against the local government is premised and a local government may only be held liable to the extent that a judgment could have been rendered against such an employee under this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1992.

Approved May 12, 1992.

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**CHAPTER 304**

**(House Bill 313)**

AN ACT concerning

**State Board of Physician Quality Assurance**

FOR the purpose of repealing the approval by the Board of Physician Quality Assurance of foreign medical schools for the purpose of determining the length of postgraduate training required; authorizing the completion of postgraduate training in a certain manner; and generally relating to education qualification for individuals who graduate from foreign medical schools.