
By: Senator Ferguson

Requested: July 11, 1995

Introduced and read first time: January 10, 1996

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions - Frivolous Lawsuits - Penalties**

3 FOR the purpose of requiring the court to determine whether a civil action was
4 maintained in bad faith or without substantial justification; allowing the prevailing
5 party in certain actions to recover from the losing party certain fees and costs of
6 litigation; authorizing the court to impose other appropriate penalties on certain
7 parties; and generally relating to civil actions that are maintained in bad faith or
8 without substantial justification.

9 BY adding to

10 Article - Courts and Judicial Proceedings
11 Section 7-406
12 Annotated Code of Maryland
13 (1995 Replacement Volume and 1995 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Courts and Judicial Proceedings**

17 7-406.

18 (A) THE COURT SHALL DETERMINE WHETHER A CIVIL ACTION WAS
19 MAINTAINED IN BAD FAITH OR WITHOUT SUBSTANTIAL JUSTIFICATION.

20 (B) IF THE COURT FINDS THAT A CIVIL ACTION WAS MAINTAINED IN BAD
21 FAITH OR WITHOUT SUBSTANTIAL JUSTIFICATION, THE COURT:

22 (1) SHALL ALLOW THE PREVAILING PARTY TO RECOVER FROM THE
23 LOSING PARTY THE FEES AND COSTS OF LITIGATION OF THE ACTION, INCLUDING
24 REASONABLE ATTORNEY'S FEES AND REASONABLE EXPERT WITNESS FEES, THAT
25 THE PREVAILING PARTY INCURRED; AND

26 (2) MAY IMPOSE ANY OTHER PENALTY IT CONSIDERS APPROPRIATE ON
27 THE ATTORNEYS, LAW FIRMS, OR PARTIES RESPONSIBLE FOR THE MAINTENANCE
28 OF THE ACTION.

SENATE BILL 27

2

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 1996.