

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 339

(Senator Haines)

Judicial Proceedings

Judiciary

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Supersedeas Bonds - Limitation on Amount

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This bill provides that if a defendant appeals a judgment entered in favor of a plaintiff in a civil case, the total amount of the supersedeas bond required of an appellant to stay enforcement of the judgment may not exceed \$200 million, regardless of the amount of the judgment. If an appellee proves by a preponderance of the evidence that an appellant is dissipating assets outside the ordinary course of business to avoid paying a judgment, the court may require the appellant to post a bond in an amount up to the full amount of the judgment.

The bill applies to all civil actions pending on or filed after the October 1, 2004 effective date.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** The bill should not have a significant impact on circuit court workload or finances. The number of cases affected is expected to be minimal.

**Small Business Effect:** Minimal. The bill affects only those small businesses that become involved in litigation with a potential judgment over \$25 million.

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Analysis

**Current Law:** A party that appeals a judgment is required to post a bond, called a supersedeas bond, or other security, to stay execution on the judgment while the appeal is

pending. When the judgment is for the recovery of money that is not otherwise secured, the amount of the bond ordinarily is the sum that will cover the whole amount of the judgment remaining unsatisfied, plus interest and costs.

**Background:** Twenty-seven states have passed legislation or amended court rules to limit the amount of an appeal bond in cases involving large judgments.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1436 (Delegate Anderson) – Judiciary.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Department of Legislative Services

**Fiscal Note History:** First Reader - February 29, 2004  
ncs/jr Revised - Senate Third Reader - April 7, 2004

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