

HOUSE BILL 49

D3

4lr0437

(PRE-FILED)

By: **Delegate Norman**

Requested: August 27, 2013

Introduced and read first time: January 8, 2014

Assigned to: Judiciary

A BILL ENTITLED

AN ACT concerning

Breach of Contract – Attorney’s Fees

FOR the purpose of providing that an award of attorney’s fees in an action for breach of contract shall be in accordance with the terms of a written contract under certain circumstances; establishing that attorney’s fees equal to a certain percentage of recovery shall be presumed reasonable in an action for breach of contract under certain circumstances; providing for the application of this Act; and generally relating to an action for breach of contract and an award of attorney’s fees.

BY adding to

Article – Courts and Judicial Proceedings

Section 6–412

Annotated Code of Maryland

(2013 Replacement Volume and 2013 Supplement)

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

Article – Courts and Judicial Proceedings

6–412.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN AWARD OF ATTORNEY’S FEES FOR THE SUCCESSFUL PROSECUTION OF AN ACTION FOR BREACH OF CONTRACT SHALL BE IN ACCORDANCE WITH THE TERMS OF A WRITTEN CONTRACT BETWEEN THE PARTIES.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(B) ATTORNEY'S FEES EQUAL TO 15% OF A RECOVERY IN AN ACTION FOR BREACH OF CONTRACT SHALL BE PRESUMED TO BE REASONABLE IF:

(1) A PARTY SEEKING ATTORNEY'S FEES FILES AN AFFIDAVIT STATING THAT A WRITTEN AGREEMENT EXISTS BETWEEN THE PARTY AND THE PARTY'S ATTORNEY THAT REQUIRES THE PARTY TO PAY ATTORNEY'S FEES OF AT LEAST 15% OF THE RECOVERY IN THE ACTION; AND

(2) THE WRITTEN CONTRACT BETWEEN THE PARTIES IN THE ACTION REQUIRES PAYMENT OF:

(I) REASONABLE ATTORNEY'S FEES; OR

(II) ATTORNEY'S FEES CALCULATED AS A PERCENTAGE OF ANY RECOVERY IN THE ACTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any cause of action arising before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.