

# HOUSE BILL 164

D3

5lr1134  
CF SB 301

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By: **Delegate Dumais**

Introduced and read first time: January 28, 2015

Assigned to: Judiciary

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 3, 2015

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Judgments – Appeals – Supersedeas Bond**

3 FOR the purpose of limiting the amount of a supersedeas bond required to stay the  
4 enforcement of a judgment in a civil action; authorizing a court to reduce further the  
5 amount of a supersedeas bond; providing a procedure by which an appellee may seek  
6 discovery for the limited purpose of determining whether an appellant has dissipated  
7 or diverted assets under certain circumstances; authorizing a court to impose certain  
8 remedies and sanctions if an appellant is found to have dissipated or diverted assets;  
9 providing for the application of this Act; and generally relating to supersedeas bonds.

10 BY adding to

11 Article – Courts and Judicial Proceedings

12 Section 12–301.1

13 Annotated Code of Maryland

14 (2013 Replacement Volume and 2014 Supplement)

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

17 **Article – Courts and Judicial Proceedings**

18 **12–301.1.**

19 **(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION**  
20 **AND NOTWITHSTANDING ANY OTHER LAW OR COURT RULE, IN A CIVIL ACTION THE**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 AMOUNT OF THE SUPERSEDEAS BOND NECESSARY TO OBTAIN A STAY OF  
2 ENFORCEMENT OF A JUDGMENT GRANTING ANY TYPE OF RELIEF DURING THE  
3 ENTIRE COURSE OF ALL APPEALS OR DISCRETIONARY REVIEWS MAY NOT EXCEED  
4 THE LESSER OF ~~\$50,000,000~~ \$100,000,000 OR THE AMOUNT OF THE JUDGMENT FOR  
5 EACH APPELLANT, REGARDLESS OF THE AMOUNT OF THE JUDGMENT APPEALED.

6 (2) (I) IN THIS PARAGRAPH, "SMALL BUSINESS" HAS THE MEANING  
7 STATED IN THE FEDERAL SMALL BUSINESS ACT, 15 U.S.C. § 631 ET SEQ., AND  
8 IMPLEMENTING REGULATIONS, 13 C.F.R. PT. 121.

9 (II) THE AMOUNT OF THE SUPERSEDEAS BOND MAY NOT  
10 EXCEED THE LESSER OF \$1,000,000 OR THE AMOUNT OF THE JUDGMENT FOR EACH  
11 APPELLANT THAT IS A SMALL BUSINESS.

12 (III) AN APPELLANT CLAIMING THE BENEFIT OF THIS  
13 PARAGRAPH HAS THE BURDEN OF PROVING THAT THE APPELLANT IS A SMALL  
14 BUSINESS.

15 (B) (1) IN A CIVIL ACTION A PARTY SEEKING A STAY OF EXECUTION OF A  
16 JUDGMENT OF ANY AMOUNT PENDING REVIEW MAY FILE A MOTION TO REDUCE THE  
17 AMOUNT OF A SUPERSEDEAS BOND REQUIRED TO OBTAIN THE STAY.

18 (2) A COURT, ON A MOTION UNDER PARAGRAPH (1) OF THIS  
19 SUBSECTION OR ON ITS OWN MOTION, MAY REDUCE THE AMOUNT OF A  
20 SUPERSEDEAS BOND OR MAY SET OTHER CONDITIONS TO OBTAIN THE STAY, WITH  
21 OR WITHOUT A BOND, IN THE INTEREST OF JUSTICE AND FOR GOOD CAUSE SHOWN.

22 (C) IF AN APPELLANT POSTS A SUPERSEDEAS BOND IN ACCORDANCE WITH  
23 THIS SECTION FOR AN AMOUNT LESS THAN WOULD BE REQUIRED UNDER RULE  
24 8-423(B) OF THE MARYLAND RULES, THE APPELLEE MAY ENGAGE IN DISCOVERY  
25 FOR THE LIMITED PURPOSE OF DETERMINING WHETHER THE APPELLANT  
26 DISSIPATED OR DIVERTED ASSETS OUTSIDE THE COURSE OF ITS ORDINARY  
27 BUSINESS OR IS IN THE PROCESS OF DOING SO.

28 (D) IF A COURT DETERMINES THAT AN APPELLANT DISSIPATED OR  
29 DIVERTED ASSETS OUTSIDE THE COURSE OF ITS ORDINARY BUSINESS OR IS IN THE  
30 PROCESS OF DOING SO, THE COURT MAY:

31 (1) ENTER ORDERS NECESSARY TO PROTECT THE APPELLEE;

32 (2) REQUIRE THE APPELLANT TO POST A SUPERSEDEAS BOND IN AN  
33 AMOUNT NOT EXCEEDING THE AMOUNT THAT WOULD BE REQUIRED UNDER RULE  
34 8-423(B) OF THE MARYLAND RULES; AND

1                   **(3) IMPOSE OTHER REMEDIES AND SANCTIONS THAT THE COURT**  
2 **CONSIDERS APPROPRIATE.**

3           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to any  
4 civil action pending on or filed on or after the effective date of this Act.

5           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2015.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.