Article - State Government

[Previous][Next]

§10–224.

(a) (1) In this section the following words have the meanings indicated.

(2) "Business" means a trade, professional activity, or other business that is conducted for profit.

(3) "Nonprofit organization" means an organization that is exempt or eligible for exemption from taxation under § 501(c)(3) of the Internal Revenue Code.

(b) This section applies only to:

(1) an agency operating statewide;

(2) a business that, on the date when the contested case or civil action is initiated:

(i) is independently owned and operated; and

(ii) has less than 50 employees, including, if a corporation owns 50% or more of the stock of the business, each employee of the corporation; and

(3) a nonprofit organization.

(c) Subject to the limitations in this section, an agency or court may award to a business or nonprofit organization reimbursement for expenses that the business or nonprofit organization reasonably incurs in connection with a contested case or civil action that:

(1) is initiated against the business or nonprofit organization by an agency as part of an administrative or regulatory function;

(2) is initiated without substantial justification or in bad faith; and

(3) does not result in:

(i) an adjudication, stipulation, or acceptance of liability of the business or nonprofit organization;

(ii) a determination of noncompliance, violation, infringement, deficiency, or breach on the part of the business or nonprofit organization; or

(iii) a settlement agreement under which the business or nonprofit organization agrees to take corrective action or to pay a monetary sum.

(d) (1) To qualify for an award under this section when the agency has

initiated a contested case, the business or nonprofit organization must make a claim to the agency before taking any appeal.

(2) The agency shall act on the claim.

(e) (1) An award under this section may include:

(i) the expenses incurred in the contested case;

(ii) court costs;

(iii) counsel fees; and

(iv) the fees of necessary witnesses.

(2) An award under this section may not exceed $10,000.

(3) The court may reduce or deny an award to the extent that the conduct of the business or nonprofit organization during the proceedings unreasonably delayed the resolution of the matter in controversy.

(f) An award under this section shall be paid as provided in the State budget.

(g) (1) If the agency denies an award under this section, the business or nonprofit organization may appeal, as provided in this subtitle.

(2) An agency may appeal an award that a court makes under this section.

[Previous][Next]