

# SENATE BILL 1128

D3

(8lr3939)

## ENROLLED BILL

— *Judicial Proceedings/Judiciary and Environment and Transportation* —

Introduced by ~~Senator Mathias~~ Senators Mathias, Brochin, Kelley, Lee, Ramirez, Smith, and Zirkin

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

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

1 AN ACT concerning

### 2 **Offshore Drilling Liability Act**

3 FOR the purpose of establishing that an offshore drilling activity is an ultrahazardous and  
4 abnormally dangerous activity; establishing that a person that causes a spill of oil or  
5 gas while engaged in an offshore drilling activity is strictly liable for certain  
6 damages; voiding as against public policy a provision of any contract or agreement  
7 that attempts or purports to waive certain rights or reduce certain liability for injury,  
8 death, or loss to person or property caused by an oil or gas spill as a result of an  
9 offshore drilling activity; establishing that certain provisions concerning a certain  
10 bond do not apply to a judgment in a civil action for damages relating to an offshore  
11 drilling activity; defining certain terms; providing for the application of this Act; and  
12 generally relating to civil liability for oil or gas spills related to offshore drilling  
13 activities.

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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.

*Italics* indicate opposite chamber/conference committee amendments.



1 BY adding to  
2 Article – Courts and Judicial Proceedings  
3 Section 3–2101 through 3–2104 to be under the new subtitle “Subtitle 21. Offshore  
4 Drilling Liability Act”  
5 Annotated Code of Maryland  
6 (2013 Replacement Volume and 2017 Supplement)

7 BY repealing and reenacting, with amendments,  
8 Article – Courts and Judicial Proceedings  
9 Section 12–301.1(a)  
10 Annotated Code of Maryland  
11 (2013 Replacement Volume and 2017 Supplement)

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

14 **Article – Courts and Judicial Proceedings**

15 **SUBTITLE 21. OFFSHORE DRILLING LIABILITY ACT.**

16 **3–2101.**

17 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
18 INDICATED.

19 (B) (1) “GAS” MEANS ANY NATURAL GAS OR OTHER FLUID  
20 HYDROCARBONS THAT ARE PRODUCED FROM A NATURAL RESERVOIR.

21 (2) “GAS” INCLUDES:

22 (I) CARBON DIOXIDE; AND

23 (II) HYDROGEN SULFIDE.

24 (C) “OFFSHORE DRILLING ACTIVITY” MEANS ~~EXPLORATION OR DRILLING~~  
25 ~~FOR THE:~~

26 (1) THE EXPLORATION, DEVELOPMENT, OR PRODUCTION OF OIL OR  
27 GAS IN, ON, OR UNDER THE FEDERAL OUTER CONTINENTAL SHELF WATERS; AND

28 (2) TRANSPORTING OIL OR GAS BY PIPELINE, SHIP, OR OTHERWISE  
29 FROM A SPECIFIC SITE OF EXPLORATION, DEVELOPMENT, OR PRODUCTION OF OIL  
30 OR GAS ON THE FEDERAL OUTER CONTINENTAL SHELF.

1 (D) "OIL" MEANS OIL OF ANY KIND OR IN ANY FORM, INCLUDING  
2 PETROLEUM, PETROLEUM BY-PRODUCTS, FUEL OIL, SLUDGE, CRUDE OIL, OIL  
3 REFUSE, AND OIL MIXED WITH WASTES.

4 **3-2102.**

5 (A) AN OFFSHORE DRILLING ACTIVITY IS AN ULTRAHAZARDOUS AND  
6 ABNORMALLY DANGEROUS ACTIVITY.

7 (B) A PERSON THAT CAUSES A SPILL OF OIL OR GAS WHILE ENGAGED IN AN  
8 OFFSHORE DRILLING ACTIVITY IS STRICTLY LIABLE FOR DAMAGES FOR ANY INJURY,  
9 DEATH, OR LOSS TO PERSON OR PROPERTY THAT IS CAUSED BY THE SPILL.

10 **3-2103.**

11 A PROVISION IN ANY CONTRACT OR AGREEMENT THAT ATTEMPTS OR  
12 PURPORTS TO WAIVE THE RIGHT TO BRING AN ACTION UNDER THIS SUBTITLE OR  
13 REDUCE ANY LIABILITY FOR INJURY, DEATH, OR LOSS TO PERSON OR PROPERTY  
14 THAT IS CAUSED BY A SPILL OF OIL OR GAS AS A RESULT OF AN OFFSHORE DRILLING  
15 ACTIVITY IS VOID AS AGAINST PUBLIC POLICY.

16 **3-2104.**

17 **THIS SUBTITLE MAY BE CITED AS THE OFFSHORE DRILLING LIABILITY ACT.**

18 12-301.1.

19 (a) (1) THIS SECTION DOES NOT APPLY TO A JUDGMENT IN AN ACTION  
20 FOR DAMAGES UNDER § 3-2102 OF THIS ARTICLE.

21 (2) Except as provided in subsection (d) of this section and notwithstanding  
22 any other law or court rule, in a civil action the amount of the supersedeas bond necessary  
23 to obtain a stay of enforcement of a judgment granting any type of relief during the entire  
24 course of all appeals or discretionary reviews may not exceed the lesser of \$100,000,000 or  
25 the amount of the judgment for each appellant, regardless of the amount of the judgment  
26 appealed.

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

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 October 1, 2018.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.