P1, D3 4lr2498 CF SB 680

By: The Speaker (By Request - Office of the Attorney General)

Introduced and read first time: February 2, 2024

Assigned to: Judiciary

## A BILL ENTITLED

1 AN ACT concerning

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## State Government – Public Welfare Actions – Determinations and Settlements

- 3 FOR the purpose of requiring the factfinder in a public welfare action to make a certain 4 determination and assign responsibility and liability in a certain manner; 5 authorizing the State to continue to pursue certain actions if it does not obtain 6 complete relief from certain responsible persons; establishing that certain provisions 7 of law requiring uniform contribution among joint tort-feasors do not apply to public 8 welfare claims; establishing the impact of a certain settlement on the liability of 9 certain responsible persons; and generally relating to determinations and settlements of public welfare actions. 10
- 11 BY adding to
- 12 Article Courts and Judicial Proceedings
- 13 Section 3–1401.1
- 14 Annotated Code of Maryland
- 15 (2020 Replacement Volume and 2023 Supplement)
- 16 BY adding to
- 17 Article State Government
- 18 Section 6–106.2
- 19 Annotated Code of Maryland
- 20 (2021 Replacement Volume and 2023 Supplement)
- 21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 22 That the Laws of Maryland read as follows:
  - **Article Courts and Judicial Proceedings**
- 24 **3–1401.1.**

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THIS TITLE DOES NOT APPLY TO A PUBLIC WELFARE CLAIM BROUGHT UNDER \$6-106.2 OF THE STATE GOVERNMENT ARTICLE.

3 Article – State Government

- 4 **6–106.2.**
- 5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 6 INDICATED.
- 7 (2) "PROPORTIONATE SHARE OF LIABILITY" MEANS THE 8 PERCENTAGE OF COMPARATIVE RESPONSIBILITY ASSIGNED BY THE FACTFINDER TO 9 A SETTLING PARTY UNDER THIS SECTION.
- 10 (3) "PUBLIC WELFARE ACTION" MEANS ANY CIVIL ACTION IN WHICH
  11 THE STATE OR THE ATTORNEY GENERAL HAS ASSERTED A PUBLIC WELFARE CLAIM.
- 12 (4) "PUBLIC WELFARE CLAIM" MEANS ANY CLAIM, COUNTERCLAIM, 13 CROSS CLAIM, OR OTHER DEMAND FOR RELIEF OF ANY KIND BROUGHT OR 14 ASSERTED BY THE ATTORNEY GENERAL OR THE STATE UNDER COMMON LAW, 15 STATUTORY LAW, OR ANY OTHER BASIS:
- 16 (I) FOR CONSUMER PROTECTION; OR
- 17 (II) ARISING FROM OR RELATED TO ALLEGED INJURIES TO OR
  18 THREATENED INJURIES TO THE HEALTH, SAFETY, ENVIRONMENT, OR WELFARE OF
  19 THE RESIDENTS OF MARYLAND.
- 20 (5) "RESPONSIBLE PERSON" MEANS ANY PERSON ALLEGEDLY LIABLE 21 IN WHOLE OR IN PART FOR ANY PUBLIC WELFARE CLAIM.
- 22 (B) IN A PUBLIC WELFARE ACTION, THE FACTFINDER SHALL:
- 23 (1) MAKE A DETERMINATION OF THE TOTAL LIABILITY, INCLUDING DAMAGES, COSTS, AND ALL OTHER AVAILABLE RELIEF;
- 25 (2) ASSIGN COMPARATIVE RESPONSIBILITY TO ALL PARTIES JOINED
- 26 IN THE PUBLIC WELFARE ACTION, INCLUDING ALL DEFENDANTS, THIRD-PARTY
- 27 DEFENDANTS, INTERVENORS, AND ANY OTHER NAMED PARTY, BASED ON THE
- 28 PARTY'S RELATIVE DEGREE OF FAULT OR RESPONSIBILITY FOR THE TOTAL
- 29 LIABILITY; AND
- 30 (3) IF EQUITY REQUIRES, DETERMINE THE LIABILITY OF A GROUP OF 31 RELATED PERSONS ON A COLLECTIVE BASIS.

- 1 (C) IF THE STATE HAS NOT OBTAINED COMPLETE RELIEF FROM A RESPONSIBLE PERSON WHO HAS RESOLVED THE PERSON'S LIABILITY TO THE STATE 3 IN A SETTLEMENT FOR A PUBLIC WELFARE CLAIM, THE STATE MAY:
- 4 (1) CONTINUE TO PURSUE AN ONGOING PUBLIC WELFARE ACTION
  5 AGAINST ANY OTHER RESPONSIBLE PERSON WHO HAS NOT RESOLVED THE
  6 PERSON'S LIABILITY TO THE STATE FOR THE PUBLIC WELFARE CLAIM THAT IS THE
  7 SUBJECT OF THE PUBLIC WELFARE ACTION; OR
- 8 (2) BRING A NEW PUBLIC WELFARE ACTION AGAINST ANY OTHER
  9 RESPONSIBLE PERSON WHO HAS NOT RESOLVED THE PERSON'S LIABILITY TO THE
  10 STATE FOR THE PUBLIC WELFARE CLAIM THAT IS THE SUBJECT OF THE PUBLIC
  11 WELFARE ACTION.
- 12 (D) NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAW:
- 13 (1) THE MARYLAND UNIFORM CONTRIBUTION AMONG JOINT 14 TORT–FEASORS ACT UNDER TITLE 3, SUBTITLE 14 OF THE COURTS ARTICLE DOES 15 NOT APPLY TO PUBLIC WELFARE CLAIMS;
- 16 (2) IF A RESPONSIBLE PERSON RESOLVES THE PERSON'S LIABILITY
  17 TO THE STATE IN A SETTLEMENT OF A PUBLIC WELFARE CLAIM, THE PERSON MAY
  18 NOT BE LIABLE FOR CLAIMS FOR NONCONTRACTUAL CONTRIBUTION OR INDEMNITY
  19 REGARDING ANY MATTER OR CLAIM ADDRESSED IN THE SETTLEMENT, INCLUDING
  20 ANY STATUTORY OR COMMON LAW CLAIM; AND
- 21 (3) A SETTLEMENT OF A PUBLIC WELFARE CLAIM THAT RESOLVES 22 THE LIABILITY OF A RESPONSIBLE PERSON:
- 23 (I) DOES NOT RELEASE FROM LIABILITY ANY OTHER 24 RESPONSIBLE PERSON EXCEPT AS SPECIFICALLY PROVIDED IN THE TERMS OF THE 25 SETTLEMENT; BUT
- (II) REDUCES THE POTENTIAL LIABILITY OF ALL OTHER
  RESPONSIBLE PERSONS LIABLE IN WHOLE OR IN PART FOR THE PUBLIC WELFARE
  CLAIM THAT IS THE SUBJECT OF THE SETTLEMENT BY THE SETTLING PERSON'S
  PROPORTIONATE SHARE OF LIABILITY FOR ALL SETTLED PUBLIC WELFARE CLAIMS,
  INCLUDING ALL STATUTORY AND COMMON LAW CLAIMS.
- 31 (E) THIS SECTION MAY NOT BE CONSTRUED TO:

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(1) IMPAIR ANY EXPRESS CONTRACTUAL RIGHTS; OR

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## 1 (2) GRANT AUTHORITY TO THE STATE OR THE ATTORNEY GENERAL 2 TO BRING ACTIONS OR CLAIMS NOT OTHERWISE AUTHORIZED BY LAW.

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 settlement of a public welfare action finalized before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  $8\,\,$  1, 2024.