

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

Senate Bill 27 (Senator Ferguson)  
Judicial Proceedings

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**Civil Actions - Frivolous Lawsuits - Penalties**

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This bill requires a court to determine whether a civil action was maintained in bad faith or without substantial justification. If a court determines that an action was maintained in bad faith or without substantial justification, the court is authorized to assess fees and penalties on the losing party.

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**Fiscal Summary**

**State Effect:** Potential indeterminate increase in general fund expenditures. No effect on revenues.

**Local Effect:** None.

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**Fiscal Analysis**

**State Expenditures:** Currently, a court determination of bad faith by any party maintaining or defending any proceeding in a civil action is discretionary under Maryland Rule 1-341. This bill would make it mandatory for the court to determine if there has clearly been an abuse of judicial process. Fiscal Services has no data to determine how many cases would be subject to a court determination of bad faith. Thus, any increase in the Judiciary's workload and expenditures could not be reliably estimated at this time, but it could be significant.

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**Information Source(s):** Judiciary (Administrative Office of the Courts), Department of Fiscal Services

**Fiscal Note History:** First Reader - February 27, 1996

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