

Department of Legislative Services  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**

Senate Bill 381  
Judicial Proceedings

(Senator Ferguson, *et al.*)

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**Actions Reserved to the State - Lawsuits Against Gun Manufacturers and Dealers by or on Behalf of Local Governments**

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This bill reserves exclusively to the State the authority to bring suit and recover, by or on behalf of any political subdivision or local government, against gun manufacturers or dealers for damages, abatement, or injunctive relief resulting from or relating to the lawful design, marketing, or sale of a gun to the public. Exceptions are granted for suits involving breach of contract or warranty applicable to a gun purchased by a local government. The State may not exercise this reserved authority without an act of the General Assembly.

The bill applies retroactively.

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**Fiscal Summary**

**State Effect:** The bill is not expected to materially affect State operations or finances.

**Local Effect:** To the extent that the bill restricts local government lawsuits against gun manufacturers, revenues could potentially decrease. It is unknown whether any such suits are under consideration by local governments at this time. Any potential for lost revenue cannot be reliably estimated.

**Small Business Effect:** Potential minimal impact to the extent that the bill may limit the number of lawsuits against gun dealers in relation to gun sales to the public. There are no known gun manufacturers that meet the definition of a small business.

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## Analysis

**Current Law:** Although there is no specific law regarding the right to bring suit against gun manufacturers or the right of local government to bring lawsuits, it is assumed that Maryland's local governments and political subdivisions have standing to bring such suits.

**Background:** During the past few years, at least 23 lawsuits have been filed across the country by local government entities against the gun industry. These suits are generally based on product liability or public nuisance theories. None of these suits has been brought by a Maryland local government.

In response to a lawsuit brought by the city of Atlanta against firearms manufacturers, Georgia became the first state to adopt legislation that prohibits these suits by local governments. According to the Center for Policy Alternatives, 22 states (including Georgia) have enacted laws preempting local government lawsuits against the gun industry.

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### Additional Information

**Prior Introductions:** A hearing was held on SB 218 of 2001 in the Judicial Proceedings Committee, but the bill was withdrawn. A similar bill was introduced in 2000 as SB 493; it received an unfavorable report from the Judicial Proceedings Committee.

**Cross File:** None.

**Information Source(s):** Montgomery County, Prince George's County, Caroline County, Calvert County, Howard County, Office of the Attorney General, Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2002  
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