

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 855
Judiciary

(Delegates Baldwin and Pielke)

Lawyers - Bar Admission - Exemptions

This bill adds, to the list of individuals who may practice law in Maryland, a member of a limited liability company or an employee designated by a member of a limited liability company while the member or employee is appearing on behalf of the company in a small claims action in the District Court of Maryland.

Fiscal Summary

State Effect: This bill is not expected to have any material impact on governmental operations or finances.

Local Effect: None.

Small Business Effect: Potential minimal. This bill may make it easier for limited liability companies to litigate (both prosecute and defend) small claims actions, resulting in potential litigation and liability savings as well as potentially greater collections for fees owed.

Analysis

Current Law: With regard to business entities, the following individuals may practice law in Maryland while appearing on behalf of the business entity in a small claims action, so long as the action is not based on an assignment to the entity of another's claim: (1) an officer of a corporation or an employee designated by an officer; (2) a partner in a business operated as a partnership or an employee designated by a partner; or (3) an employee designated by the owner of a business operated as a sole proprietorship.

A designated employee appearing on behalf of the business entity: (1) may not be assigned on a full-time basis to appear on the entity's behalf; (2) must provide the court with a power of attorney sworn to by the employee that certifies that the employee is an authorized agent of the business entity and may bind the entity on the matter pending before the court; and (3) may not be an individual who is disbarred or suspended as a lawyer in any state. The business entity may not contract, hire, or employ another business entity to provide appearance services under these provisions.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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