### **SENATE BILL 4**

Unofficial Copy D3 2003 Regular Session (3lr0462)

#### **ENROLLED BILL**

-- Judicial Proceedings/Judiciary --

Introduced by Senator Greenip Senators Greenip, Forehand, Garagiola, and Giannetti

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

**District Court - Small Claim Actions** 

3 FOR the purpose of altering the minimum amount in controversy in civil cases over

4 which the District Court of Maryland and the circuit courts have concurrent

5 jurisdiction; altering the maximum amount of a small claim action in the

6 District Court; altering the amount in controversy in a civil action in the District

7 Court in which formal pleadings are prohibited; altering the minimum amount

8 in controversy in civil cases in which appeals from the District Court are

9 required to be heard on the record; exempting from the Bar admission

10 requirement certain members or employees of limited liability companies in

11 certain small claim actions; providing for the application of this Act; and

12 generally relating to small claim actions in the District Court.

13 BY repealing and reenacting, with amendments,

14 Article - Courts and Judicial Proceedings

15 Section 4-402(d)(1)(i), 4-405, 6-403, and 12-401(f)

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2

1 Annotated Code of Maryland

## 2 (2002 Replacement Volume)

### 3 BY repealing and reenacting, without amendments,

- 4 Article Business Occupations and Professions
- 5 Section 10-206(a)
- 6 Annotated Code of Maryland
- 7 (2000 Replacement Volume and 2002 Supplement)

8 BY repealing and reenacting, with amendments,

- 9 Article Business Occupations and Professions
- 10 Section 10-206(b)
- 11 Annotated Code of Maryland
- 12 (2000 Replacement Volume and 2002 Supplement)

# 13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

- 14 MARYLAND, That the Laws of Maryland read as follows:
- 15

## **Article - Courts and Judicial Proceedings**

16 4-402.

17 (d) (1) (i) Except in a case under paragraph (2), (4), (5), or (6) of § 4-401 of

18 this subtitle, the plaintiff may elect to file suit in the District Court or in a trial court

19 of general jurisdiction, if the amount in controversy exceeds [\$2,500] \$5,000, exclusive

20 of prejudgment or postjudgment interest, costs, and attorney's fees if attorney's fees

21 are recoverable by law or contract.

22 4-405.

The District Court has exclusive jurisdiction over a small claim action, which, for purposes of this section, means a civil action for money in which the amount claimed does not exceed [\$2,500] \$5,000 exclusive of interest, costs, and attorney's fees, if attorney's fees are recoverable by law or contract; and landlord tenant action under §§ 8-401 and 8-402 of the Real Property Article of the Code, in which the amount of rent claimed does not exceed [\$2,500] \$5,000 exclusive of interest and costs.

30 6-403.

31 (a) In a civil action in the District Court, if the amount in controversy is 32 [\$1,000] \$2,500 or less, there shall be no formal pleadings.

33 (b) If the amount in controversy exceeds [\$1,000] \$2,500 the forms and 34 pleadings are as provided by Title 3, Chapter 300 of the Maryland Rules.

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1 12-401.
<ul> <li>(f) In a civil case in which the amount in controversy exceeds [\$2,500] \$5,000</li> <li>exclusive of interest, costs, and attorney's fees if attorney's fees are recoverable by law</li> <li>or contract, in any matter arising under § 4-401(7)(ii) of this article, and in any case</li> <li>in which the parties so agree, an appeal shall be heard on the record made in the</li> <li>District Court. In every other case, including a criminal case in which sentence has</li> <li>been imposed or suspended following a plea of nolo contendere or guilty, and an</li> <li>appeal in a municipal infraction or Code violation case, an appeal shall be tried de</li> <li>novo.</li> </ul>
10 Article - Business Occupations and Professions
11 <del>10-206.</del>
<ul> <li>(a) Except as otherwise provided by law, before an individual may practice law</li> <li>13 in the State, the individual shall:</li> </ul>
14 (1) be admitted to the Bar; and
15 (2) meet any requirement that the Court of Appeals may set by rule.
16 (b) This section does not apply to:
<ol> <li>a person while representing a landlord in a summary ejectment</li> <li>proceeding in the District Court of Maryland;</li> </ol>
19(2)a person while representing a tenant in a summary ejectment20 proceeding in the District Court of Maryland if the person is:
<ul> <li>21 (i) a law student practicing in a clinical law program at a law</li> <li>22 school accredited by the American Bar Association with the in court supervision of a</li> <li>23 faculty member; or</li> </ul>
24(ii)employed by a nonprofit organization receiving grants from the25Maryland Legal Services Corporation and:
26 1. the person has training and experience;
27 2. the person is supervised by a lawyer; and
283.the supervising lawyer's appearance is entered in the29proceeding;
30(3)an insurance company while defending an insured through staff31 counsel;
32 (4) (i) an officer of a corporation, an employee designated by an officer 33 of a corporation a partner in a business operated as a partnership or an employee

33 of a corporation, a partner in a business operated as a partnership or an employee
 34 designated by a partner, A MEMBER OF A LIMITED LIABILITY COMPANY OR AN

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1	EMPLOYEE DESIGNATED BY A MEMBER OF A LIMITED LIABILITY COMPANY, or an
2	employee designated by the owner of a business operated as a sole proprietorship
3	while the officer, partner, MEMBER, or employee is appearing on behalf of the
	corporation, partnership, LIMITED LIABILITY COMPANY, or business in a civil action
	in the District Court of Maryland if the action:
-	
6	1. is based on a claim that does not exceed the amount set
	under § 4 405 of the Courts Article for a small claim action; and
/	under § + 405 of the Courts Altrefe for a small claim action, and
8	2. is not based on an assignment, to the corporation,
-	
9	partnership, or business, of the claim of another;
10	(ii) an employee design stad up des submers much (i) of this
10	(ii) an employee designated under subparagraph (i) of this
11	<del>paragraph:</del>
10	1
12	1. may not be assigned on a full-time basis to appear in the
13	District Court on behalf of the corporation, partnership, or business;
14	2. shall provide the court a power of attorney sworn to by the
	employer that certifies that the designated employee is an authorized agent of the
	corporation, partnership, or sole proprietorship and may bind the corporation,
17	partnership, or sole proprietorship on matters pending before the court; and
18	3. may not be an individual who is disbarred or suspended as
19	a lawyer in any state;
20	(iii) a corporation, partnership, or business may not contract, hire,
21	or employ another business entity to provide appearance services under
	subparagraph (i) of this paragraph; or
23	(5) an individual who is authorized by a county employee to represent
-	the employee at any step of the county's grievance procedure.
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25	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 civil action filed before the effective date of this Act.
21	any creet on or appreation to any civit action incu before the creetive date of this Act.
28	SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
29	October 1, 2003.