SENATE BILL 4

ENROLLED BILL
-- Judicial Proceedings/Judiciary --

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

 GiannettiRead and Examined by Proofreaders:

Sealed with the Great Seal and presented to the Governor, for his approval this
$\qquad$ day of $\qquad$ at $\qquad$ o'clock, $\qquad$ M.

## CHAPTER

$\qquad$
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 maximbm 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 frem the Bar admission
10 requirement certain members or employees of limited liability companies in 11 eertain small claim actions; providing for the application of this Act; and generally relating to small claim actions in the District Court.

13 BY repealing and reenacting, with amendments,
Article - Courts and Judicial Proceedings
Section 4-402(d)(1)(i), 4-405, 6-403, and 12-401(f)

1 Annotated Code of Maryland
2 (2002 Replacement Volume)
3 BY repealing and reenacting, without amendments,
Article - Business Occupations and Professions
Section 10-206(a)
Annotated Code of Maryland
(2000 Replacement Volume and 2002 Supplement)
8 BY repealing and reenacting, with amendments,
Article - Business Occupations and Professions
Section 10-206(b)
Annotated Code of Maryland (2000 Replacement Volume and 2002 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

## Article - Courts and Judicial Proceedings

6 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
of prejudgment or postjudgment interest, costs, and attorney's fees if attorney's fees are recoverable by law or contract.

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.

1 12-401.

2 (f) In a civil case in which the amount in controversy exceeds [\$2,500] \$5,000 3 exclusive of interest, costs, and attorney's fees if attorney's fees are recoverable by law 4 or contract, in any matter arising under § 4-401(7)(ii) of this article, and in any case 5 in which the parties so agree, an appeal shall be heard on the record made in the 6 District Court. In every other case, including a criminal case in which sentence has 7 been imposed or suspended following a plea of nolo contendere or guilty, and an 8 appeal in a municipal infraction or Code violation case, an appeal shall be tried de 9 novo.

## Article - Business Occupations and Professions

11 10-206.
12 (a) Except as otherwise provided by law, before an individual may practice law 13 in the State, the individual shall:
(1) be admitted to the Bar; and
(2) meet any requirement that the Court of Appeals may set by rule.
(i) a law student practicing in a clinieal law program at a law sehool aceredited by the American Bar Association with the in court supervision of a faculty member; or
(ii) employed by a nemprofit organization receiving grants from the

Maryland Legal Services Corporation and:

|  | 1. | the person has training and experience; |
| :---: | :---: | :---: |
|  | 2. | the person is supervised by a lawyer; and |
| proceeding; | 3. | the supervising lawyer's appearance is entered in the |
| (3) <br> eoumsel; | an instran | pany while defending an insured through staff |
| of a corporation, designated by a |  | or of a corporation, an employee designated by an officer operated as a partnership or an employee <br> OF A LIMITED LIABLITY COMPANY OR AN |

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 4 corporation, partnership, LIMITED LIABLLITY COMPANY, or business in a civil action 5 in the District Court of Maryland if the action:

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1. is based on a claim that does not exceed the amount set 7 under § 4-405 of the Courts Article 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 designated under subparagraph (i) of this
11 paragraph:
$12 \quad 4 . \quad$ may not be assigned on a full time basis to appear in the
13 District Court on behalf of the corporation, partnership, or business;
2. shall provide the court a power of attorney swom to by the

15 employer that certifies that the designated employee is an authorized agent of the
16 eorporation, partnership, or sole proprietorship and may bind the corporation,
17 partnership, or sole proprietorship on matters pending before the court; and

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19 a lawyer in any state;
20 (iii) acorporation, partnership, or business may not contract, hire,
21 or employ another business entity to provide appearance services under
22 stbparagraph (i) of this paragraph; or
23 (5) an individual who is authorized by a county employee to represent
24 the employee at any step of the county's grievance procedure.
SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
26 construed to apply only prospectively and may not be applied or interpreted to have
27 any effect on or application to any civil action filed before the effective date of this Act.
28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2003.

