

SENATE BILL 4

Unofficial Copy
D3

2003 Regular Session
3lr0462

(PRE-FILED)

By: ~~Senator Greenip~~ **Senators Greenip, Forehand, Garagiola, and Giannetti**

Requested: November 19, 2002

Introduced and read first time: January 8, 2003

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 11, 2003

CHAPTER _____

1 AN ACT concerning

2 **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)
16 Annotated Code of Maryland
17 (2002 Replacement Volume)

18 BY repealing and reenacting, without amendments,
19 Article - Business Occupations and Professions
20 Section 10-206(a)
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2002 Supplement)

23 BY repealing and reenacting, with amendments,

1 Article - Business Occupations and Professions
2 Section 10-206(b)
3 Annotated Code of Maryland
4 (2000 Replacement Volume and 2002 Supplement)

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

7 **Article - Courts and Judicial Proceedings**

8 4-402.

9 (d) (1) (i) Except in a case under paragraph (2), (4), (5), or (6) of § 4-401 of
10 this subtitle, the plaintiff may elect to file suit in the District Court or in a trial court
11 of general jurisdiction, if the amount in controversy exceeds [\$2,500] \$5,000, exclusive
12 of prejudgment or postjudgment interest, costs, and attorney's fees if attorney's fees
13 are recoverable by law or contract.

14 4-405.

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

22 6-403.

23 (a) In a civil action in the District Court, if the amount in controversy is
24 [\$1,000] \$2,500 or less, there shall be no formal pleadings.

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

27 12-401.

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

1 **Article - Business Occupations and Professions**

2 10-206.

3 (a) Except as otherwise provided by law, before an individual may practice law
4 in the State, the individual shall:

5 (1) be admitted to the Bar; and

6 (2) meet any requirement that the Court of Appeals may set by rule.

7 (b) This section does not apply to:

8 (1) a person while representing a landlord in a summary ejection
9 proceeding in the District Court of Maryland;

10 (2) a person while representing a tenant in a summary ejection
11 proceeding in the District Court of Maryland if the person is:

12 (i) a law student practicing in a clinical law program at a law
13 school accredited by the American Bar Association with the in-court supervision of a
14 faculty member; or

15 (ii) employed by a nonprofit organization receiving grants from the
16 Maryland Legal Services Corporation and:

17 1. the person has training and experience;

18 2. the person is supervised by a lawyer; and

19 3. the supervising lawyer's appearance is entered in the
20 proceeding;

21 (3) an insurance company while defending an insured through staff
22 counsel;

23 (4) (i) an officer of a corporation, an employee designated by an officer
24 of a corporation, a partner in a business operated as a partnership or an employee
25 designated by a partner, A MEMBER OF A LIMITED LIABILITY COMPANY OR AN
26 EMPLOYEE DESIGNATED BY A MEMBER OF A LIMITED LIABILITY COMPANY, or an
27 employee designated by the owner of a business operated as a sole proprietorship
28 while the officer, partner, MEMBER, or employee is appearing on behalf of the
29 corporation, partnership, LIMITED LIABILITY COMPANY, or business in a civil action
30 in the District Court of Maryland if the action:

31 1. is based on a claim that does not exceed the amount set
32 under § 4-405 of the Courts Article for a small claim action; and

33 2. is not based on an assignment, to the corporation,
34 partnership, or business, of the claim of another;

1 (ii) an employee designated under subparagraph (i) of this
2 paragraph:

3 1. may not be assigned on a full-time basis to appear in the
4 District Court on behalf of the corporation, partnership, or business;

5 2. shall provide the court a power of attorney sworn to by the
6 employer that certifies that the designated employee is an authorized agent of the
7 corporation, partnership, or sole proprietorship and may bind the corporation,
8 partnership, or sole proprietorship on matters pending before the court; and

9 3. may not be an individual who is disbarred or suspended as
10 a lawyer in any state;

11 (iii) a corporation, partnership, or business may not contract, hire,
12 or employ another business entity to provide appearance services under
13 subparagraph (i) of this paragraph; or

14 (5) an individual who is authorized by a county employee to represent
15 the employee at any step of the county's grievance procedure.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
17 construed to apply only prospectively and may not be applied or interpreted to have
18 any effect on or application to any civil action filed before the effective date of this Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2003.