

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1436
Judiciary

(Delegate Anderson)

Supersedeas Bonds - Limitation on Amount

This bill provides that if a defendant appeals a judgment entered in favor of a plaintiff in a civil case, the total amount of the supersedeas bond required collectively of all appellants to stay enforcement of the judgment may not exceed \$25 million, regardless of the amount of the judgment. If an appellee proves by a preponderance of the evidence that an appellant is dissipating assets outside the ordinary course of business to avoid paying a judgment, the court may require the appellant to post a bond in an amount up to the full amount of the judgment.

The bill applies to all civil actions pending on or filed after the October 1, 2004 effective date.

Fiscal Summary

State Effect: None.

Local Effect: The bill should not have a significant impact on circuit court workload or finances. The number of cases affected is expected to be minimal.

Small Business Effect: Minimal. The bill affects only those small businesses that become involved in litigation with a potential judgment over \$25 million.

Analysis

Current Law: A party that appeals a judgment is required to post a bond, called a supersedeas bond, or other security, to stay execution on the judgment while the appeal is pending. When the judgment is for the recovery of money that is not otherwise secured,

the amount of the bond ordinarily is the sum that will cover the whole amount of the judgment remaining unsatisfied, plus interest and costs.

Additional Information

Prior Introductions: None.

Cross File: SB 339 (Senator Haines) – Judicial Proceedings.

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

Fiscal Note History: First Reader - March 8, 2004
ncs/jr

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