

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 427
Judiciary

(Delegate Vallario, *et al.*)

Judicial Proceedings

Courts - Jury Trials in Civil Actions - Amount in Controversy

This bill prohibits a party in a civil action from requesting a jury trial if the amount in controversy does not exceed \$10,000, exclusive of attorney's fees if attorney's fees are recoverable by law or contract. The bill may not be construed to affect any requirement under Maryland Rule 2-325 for withdrawal of an election for jury trial after a party files a demand electing a trial by jury. The bill is contingent on the passage and ratification of a constitutional amendment (HB 413 of 2006) permitting the General Assembly to enact legislation limiting the right to a jury trial in a civil proceeding to civil proceedings in which the amount in controversy exceeds a specified amount. The bill takes effect on the date of the certification of the election results on the ratification of the constitutional amendment. The bill applies prospectively to civil actions filed on or after the bill's effective date.

Fiscal Summary

State Effect: Because this bill eliminates the availability of a jury trial for cases where the amount in controversy is less than \$10,000, cases that might otherwise have gone to circuit courts for jury trials will remain in the District Court. The number of cases affected by this bill cannot be readily determined at this time. However, it is assumed that any increase in caseload for the District Court could be handled with existing resources.

Local Effect: Potential decrease in expenditures for circuit courts due to the decrease in the number of jury trials as a result of this bill.

Small Business Effect: None.

Analysis

Current Law: The right to a jury trial in Maryland is established in Articles 5 and 23 of the Maryland Declaration of Rights. Article 5 preserves the right of the inhabitants of Maryland to a jury trial as it existed in the English Common Law on July 4, 1776. Article 23 inviolably preserves the right to a jury trial in civil proceedings where the amount in controversy exceeds \$10,000.

The District Court of Maryland was created by an amendment to the Maryland Constitution in 1970, and began operating as a court of record in 1971. The District Court of Maryland is located in all counties and Baltimore City, and operates as a unified system with a statewide jurisdiction. The District Court has jurisdiction over specific types of cases.

The District Court hears a variety of civil and criminal cases. The District Court's exclusive civil jurisdiction includes the following types of cases: (1) civil cases involving claims up to \$5,000; (2) landlord-tenant disputes; and (3) replevin claims. The District Court does not hear civil cases involving claims above \$25,000. In general, the District Court has concurrent jurisdiction with the circuit courts in claims for amounts above \$5,000 but less than \$25,000.

With some exceptions, a plaintiff may elect to file suit in a District Court or a trial court of general jurisdiction if the amount in controversy exceeds \$5,000, but is at or less than \$25,000, exclusive of prejudgment or postjudgment interest, costs, and attorney's fees if attorney's fees are recoverable by law or contract. In Maryland, circuit courts are the trial courts of general jurisdiction. Because the District Court does not conduct jury trials, if a case is eligible to be transferred to the circuit courts, it is eligible for a jury trial.

Also, *a party* to a civil action may request a jury trial, pursuant to the Maryland Rules, if the amount in controversy exceeds \$10,000, exclusive of attorney's fees if attorney's fees are recoverable by law or contract. In replevin actions, if a party is entitled to and files a timely demand for a jury trial, the District Court may require the party to show cause for moving the case to circuit court before transferring the case.

Under Maryland Rule 2-325, an election for a jury trial in a civil case may be withdrawn only with the consent of all parties not in default.

Background: Under the English Common Law, parties to civil cases at law were entitled to a trial by jury, regardless of the amount in controversy. Article X, Section 4 of the Maryland Constitution drafted at the 1850 Convention stated, "The trial by jury of all issues of fact in civil proceedings, in the several courts of law in this State, where the

amount in controversy exceeds the sum of five dollars, shall be inviolably preserved.” This was the first instance in which an amount in controversy was stipulated in reference to the entitlement to a trial by jury in civil cases at law. In 1970, the amount was changed to \$500. In 1977, the provision was moved to its current location in Article 23 of the Declaration of Rights. The amount in controversy was changed to \$5,000 in 1992, and then to \$10,000 in 1998.

In *Davis v. Slater*, 383 Md. 599 (2004), the plaintiff filed a complaint against the defendant in the District Court requesting \$25,000 in damages incurred as a result of a motor vehicle accident. The defendant requested a jury trial under § 4-402(e)(1) of the Courts Article, and the case was transferred to the circuit court. In the circuit court, the plaintiff amended his request for damages to \$10,000 and filed a motion to strike the defendant’s demand for a jury trial. The circuit court denied the request, and the case was tried before a jury.

On appeal by the plaintiff, the Court of Appeals affirmed the circuit court’s denial of the motion to strike the jury demand. The court found that Article 5(a) of the Maryland Declaration of Rights does not permit the General Assembly to alter “the trial by jury” as an institution, but does permit the General Assembly to alter the common law, including “...the law governing the entitlement to demand jury trial in a particular case.” The court found that while Article 23 of the Declaration of Rights preserves the right to a jury trial in civil cases at law where the amount in controversy exceeds \$10,000, it does not abrogate the common law right to a trial by jury in cases where the amount in controversy is \$10,000 or less. The court concluded that under the common law, all parties to all civil cases at law are entitled to a trial by jury notwithstanding the provision in Article 23 of the Declaration of Rights concerning the amount in controversy. Therefore, the defendant continued to be entitled to a jury trial after the plaintiff reduced his request for damages.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State’s Attorneys’ Association; Judiciary (Administrative Office of the Courts); Office of the Public Defender; *Davis v. Slater*, 383 Md. 599 (2004); Department of Legislative Services

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