

HOUSE BILL 171

D3

6lr1711
CF SB 231

By: **Delegate Dumais**

Introduced and read first time: January 21, 2016

Assigned to: Judiciary

Committee Report: Favorable

House action: Adopted

Read second time: February 23, 2016

CHAPTER _____

1 AN ACT concerning

2 **Judgments – Appeals – Supersedeas Bond**

3 FOR the purpose of reducing the amount of a supersedeas bond required from certain
4 appellants to stay the enforcement of a judgment in a civil action; providing for the
5 application of this Act; and generally relating to supersedeas bonds.

6 BY repealing and reenacting, with amendments,
7 Article – Courts and Judicial Proceedings
8 Section 12–301.1
9 Annotated Code of Maryland
10 (2013 Replacement Volume and 2015 Supplement)

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

13 **Article – Courts and Judicial Proceedings**

14 12–301.1.

15 (a) Except as provided in subsection (d) of this section and notwithstanding any
16 other law or court rule, in a civil action the amount of the supersedeas bond necessary to
17 obtain a stay of enforcement of a judgment granting any type of relief during the entire
18 course of all appeals or discretionary reviews may not exceed, **REGARDLESS OF THE**
19 **AMOUNT OF THE JUDGMENT APPEALED:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (1) [the] **THE** lesser of \$100,000,000 or the amount of the judgment for
2 each appellant[, regardless of the amount of the judgment appealed]; **OR**

3 (2) **THE LESSER OF \$5,000,000 OR THE AMOUNT OF THE JUDGMENT**
4 **FOR AN APPELLANT THAT IS AN INDIVIDUAL OR INDEPENDENTLY OWNED AND**
5 **OPERATED BUSINESS OR NONPROFIT ORGANIZATION WITH NOT MORE THAN 250**
6 **FULL-TIME EMPLOYEES.**

7 (b) (1) In a civil action a party seeking a stay of execution of a judgment of any
8 amount pending review may file a motion to reduce the amount of a supersedeas bond
9 required to obtain the stay.

10 (2) A court, on a motion under paragraph (1) of this subsection or on its
11 own motion, may reduce the amount of a supersedeas bond or may set other conditions to
12 obtain the stay, with or without a bond, in the interest of justice and for good cause shown.

13 (c) (1) If an appellant posts a supersedeas bond in accordance with this section
14 for an amount less than would be required under Rule 8–423(b) of the Maryland Rules, the
15 appellee may engage in discovery for the limited purpose of determining whether the
16 appellant dissipated or diverted assets outside the course of its ordinary business or is in
17 the process of doing so.

18 (2) The circuit court shall retain jurisdiction over the action for the limited
19 purpose of ruling on any motions relating to discovery under paragraph (1) of this
20 subsection to determine whether the defendant dissipated or diverted assets outside the
21 course of its ordinary business or is in the process of doing so.

22 (d) If a court determines that an appellant dissipated or diverted assets outside
23 the course of its ordinary business or is in the process of doing so, the court may:

24 (1) Enter orders necessary to protect the appellee;

25 (2) Require the appellant to post a supersedeas bond in an amount not
26 exceeding the amount that would be required under Rule 8–423(b) of the Maryland Rules;
27 and

28 (3) Impose other remedies and sanctions that the court considers
29 appropriate.

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

33 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 2016.