

# SENATE BILL 1128

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8lr3939  
CF HB 1456

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By: ~~Senator Mathias~~ Senators Mathias, Brochin, Kelley, Lee, Ramirez, Smith, and  
Zirkin

Introduced and read first time: February 16, 2018

Assigned to: Rules

Re-referred to: Judicial Proceedings, February 23, 2018

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

### 2 **Offshore Drilling Liability Act**

3 FOR the purpose of establishing that an offshore drilling activity is an ultrahazardous and  
4 abnormally dangerous activity; establishing that a person that causes a spill of oil or  
5 gas while engaged in an offshore drilling activity is strictly liable for certain  
6 damages; voiding as against public policy a provision of any contract or agreement  
7 that attempts or purports to waive certain rights or reduce certain liability for injury,  
8 death, or loss to person or property caused by an oil or gas spill as a result of an  
9 offshore drilling activity; establishing that certain provisions concerning a certain  
10 bond do not apply to a judgment in a civil action for damages relating to an offshore  
11 drilling activity; defining certain terms; providing for the application of this Act; and  
12 generally relating to civil liability for oil or gas spills related to offshore drilling  
13 activities.

14 BY adding to

15 Article – Courts and Judicial Proceedings

16 Section 3–2101 through 3–2104 to be under the new subtitle “Subtitle 21. Offshore  
17 Drilling Liability Act”

18 Annotated Code of Maryland

19 (2013 Replacement Volume and 2017 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Courts and Judicial Proceedings

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#### 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 Section 12–301.1(a)  
2 Annotated Code of Maryland  
3 (2013 Replacement Volume and 2017 Supplement)

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

6 **Article – Courts and Judicial Proceedings**

7 **SUBTITLE 21. OFFSHORE DRILLING LIABILITY ACT.**

8 **3–2101.**

9 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
10 INDICATED.

11 (B) (1) “GAS” MEANS ANY NATURAL GAS OR OTHER FLUID  
12 HYDROCARBONS THAT ARE PRODUCED FROM A NATURAL RESERVOIR.

13 (2) “GAS” INCLUDES:

14 (I) CARBON DIOXIDE; AND

15 (II) HYDROGEN SULFIDE.

16 (C) “OFFSHORE DRILLING ACTIVITY” MEANS ~~EXPLORATION OR DRILLING~~  
17 ~~FOR THE~~ EXPLORATION, DEVELOPMENT, OR PRODUCTION OF OIL OR GAS IN, ON, OR  
18 UNDER THE FEDERAL OUTER CONTINENTAL SHELF WATERS.

19 (D) “OIL” MEANS OIL OF ANY KIND OR IN ANY FORM, INCLUDING  
20 PETROLEUM, PETROLEUM BY-PRODUCTS, FUEL OIL, SLUDGE, CRUDE OIL, OIL  
21 REFUSE, AND OIL MIXED WITH WASTES.

22 **3–2102.**

23 (A) AN OFFSHORE DRILLING ACTIVITY IS AN ULTRAHAZARDOUS AND  
24 ABNORMALLY DANGEROUS ACTIVITY.

25 (B) A PERSON THAT CAUSES A SPILL OF OIL OR GAS WHILE ENGAGED IN AN  
26 OFFSHORE DRILLING ACTIVITY IS STRICTLY LIABLE FOR DAMAGES FOR ANY INJURY,  
27 DEATH, OR LOSS TO PERSON OR PROPERTY THAT IS CAUSED BY THE SPILL.

28 **3–2103.**

1           **A PROVISION IN ANY CONTRACT OR AGREEMENT THAT ATTEMPTS OR**  
2 **PURPORTS TO WAIVE THE RIGHT TO BRING AN ACTION UNDER THIS SUBTITLE OR**  
3 **REDUCE ANY LIABILITY FOR INJURY, DEATH, OR LOSS TO PERSON OR PROPERTY**  
4 **THAT IS CAUSED BY A SPILL OF OIL OR GAS AS A RESULT OF AN OFFSHORE DRILLING**  
5 **ACTIVITY IS VOID AS AGAINST PUBLIC POLICY.**

6 **3-2104.**

7           **THIS SUBTITLE MAY BE CITED AS THE OFFSHORE DRILLING LIABILITY ACT.**

8 12-301.1.

9           (a)   **(1) THIS SECTION DOES NOT APPLY TO A JUDGMENT IN AN ACTION**  
10 **FOR DAMAGES UNDER § 3-2102 OF THIS ARTICLE.**

11           **(2)** Except as provided in subsection (d) of this section and notwithstanding  
12 any other law or court rule, in a civil action the amount of the supersedeas bond necessary  
13 to obtain a stay of enforcement of a judgment granting any type of relief during the entire  
14 course of all appeals or discretionary reviews may not exceed the lesser of \$100,000,000 or  
15 the amount of the judgment for each appellant, regardless of the amount of the judgment  
16 appealed.

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

20           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 2018.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.