### D3, M3

9lr2202 CF SB 488

# By: **Delegates Mosby, Anderson, Boyce, Glenn, Haynes, Rosenberg, and Wells** Introduced and read first time: February 8, 2019 Assigned to: Environment and Transportation and Judiciary

A BILL ENTITLED

## 1 AN ACT concerning

# 2 Baltimore City – Civil Actions – Liability of Toxic Substance Manufacturers

3 FOR the purpose of establishing that this Act applies only to an action brought against a certain manufacturer of a toxic substance for certain damages allegedly caused by 4  $\mathbf{5}$ the presence of paint or surface coatings containing the toxic substance in a 6 residential building located in Baltimore City; providing that this Act does not apply 7 to certain actions for certain damages arising from personal injury or death, certain 8 actions against a person other than a manufacturer, or certain actions brought by a 9 person other than the City of Baltimore, the Housing Authority of Baltimore City, or an owner of a residential building located in Baltimore City; providing that a plaintiff 1011 in an action under this Act is not required to prove that a specific manufacturer 12manufactured or produced the toxic substance used in the paint or surface coating 13 alleged to have caused the plaintiff's harm; providing that a certain manufacturer 14may be held liable for certain damages in an action under this Act under certain 15circumstances; establishing certain defenses to an action under this Act; providing 16for the apportionment of certain damages among certain manufacturers under 17certain circumstances; providing that failure to join a certain manufacturer in a 18certain action does not constitute failure to join a required party for any purpose; 19prohibiting a counterclaim or cross-claim from being filed in an action under this 20Act, subject to a certain exception; providing that certain provisions of this Act may 21not be construed or interpreted to prohibit a manufacturer from bringing certain 22claims against another manufacturer; providing that an action under this Act is not 23exclusive and is independent of and in addition to certain other rights, remedies, and 24causes of action; declaring a certain intent of the General Assembly; defining certain 25terms; providing for the application of this Act; and generally relating to the liability 26of manufacturers for damage caused in Baltimore City by toxic substances in paint 27and other surface coatings.

28 BY adding to

- 29 Article Courts and Judicial Proceedings
- 30 Section 3–2201 through 3–2205 to be under the new subtitle "Subtitle 22. Baltimore

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



$egin{array}{c} 1 \\ 2 \\ 3 \end{array}$	City – Liability of Toxic Substance Manufacturers" Annotated Code of Maryland (2013 Replacement Volume and 2018 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 8	SUBTITLE 22. BALTIMORE CITY – LIABILITY OF TOXIC SUBSTANCE MANUFACTURERS.
9	3–2201.
10 11	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
$12 \\ 13 \\ 14$	(B) (1) "ABATEMENT" MEANS A SET OF MEASURES THAT ELIMINATE OR REDUCE TOXIC HAZARDS IN A RESIDENTIAL BUILDING IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE DEPARTMENT OF THE ENVIRONMENT.
15	(2) "ABATEMENT" INCLUDES:
$16 \\ 17 \\ 18 \\ 19 \\ 20 \\ 21$	(I) THE REMOVAL OF A TOXIC SUBSTANCE AND DUST CONTAMINATED WITH A TOXIC SUBSTANCE, THE CONTAINMENT OR ENCAPSULATION OF A TOXIC SUBSTANCE, THE REPLACEMENT OR DEMOLITION OF SURFACES OR FIXTURES PAINTED OR COATED WITH A PRODUCT CONTAINING A TOXIC SUBSTANCE, AND THE REMOVAL OR COVERING OF SOIL CONTAMINATED WITH A TOXIC SUBSTANCE; AND
$22 \\ 23 \\ 24$	(II) PREPARATION, CLEANUP, DISPOSAL, AND POSTABATEMENT CLEARANCE TESTING ACTIVITIES ASSOCIATED WITH THE MEASURES DESCRIBED IN ITEM (I) OF THIS PARAGRAPH.
$25 \\ 26 \\ 27$	(C) (1) "MANUFACTURER" MEANS A PERSON THAT MANUFACTURED OR PRODUCED A TOXIC SUBSTANCE FOR SALE OR USE AS A COMPONENT OF PAINT OR OTHER SURFACE COATINGS, OR A PREDECESSOR-IN-INTEREST OF THE PERSON.
$\frac{28}{29}$	(2) "MANUFACTURER" DOES NOT INCLUDE A PERSON OR A PREDECESSOR–IN–INTEREST OF THE PERSON THAT ONLY:
$\frac{30}{31}$	(I) SOLD A TOXIC SUBSTANCE OR PRODUCT CONTAINING A TOXIC SUBSTANCE AT RETAIL OR WHOLESALE; OR

 $\mathbf{2}$ 

1(II)APPLIED A PRODUCT CONTAINING A TOXIC SUBSTANCE IN A2RESIDENTIAL BUILDING.

3 (D) (1) "TOXIC SUBSTANCE" MEANS A COMPONENT USED IN PAINT OR 4 OTHER SURFACE COATINGS THAT IS HARMFUL TO HUMAN HEALTH AND THE 5 ENVIRONMENT.

6

(2) "TOXIC SUBSTANCE" INCLUDES LEAD PIGMENT.

7 **3–2202.** 

8 (A) (1) THIS SUBTITLE APPLIES ONLY TO AN ACTION AGAINST A 9 MANUFACTURER FOR PROPERTY DAMAGE OR CONSEQUENTIAL ECONOMIC DAMAGE 10 ALLEGEDLY CAUSED BY THE PRESENCE OF PAINT OR OTHER SURFACE COATINGS 11 CONTAINING A TOXIC SUBSTANCE IN A RESIDENTIAL BUILDING LOCATED IN 12 BALTIMORE CITY.

13(2) DAMAGES THAT MAY BE CLAIMED IN AN ACTION UNDER THIS14SUBTITLE INCLUDE:

15 (I) DAMAGES SUSTAINED BY THE HOUSING AUTHORITY OF 16 BALTIMORE CITY OR THE OWNER OF A RESIDENTIAL BUILDING LOCATED IN 17 BALTIMORE CITY REQUIRED TO COMPLY WITH:

181.THE REQUIREMENTS OF TITLE 6, SUBTITLE 8 OF THE19ENVIRONMENT ARTICLE;

20 **2.** AN ABATEMENT ORDER ISSUED BY A UNIT OF THE 21 STATE OR A LOCAL GOVERNMENT; OR

223.A REQUIREMENT TO REPAIR ANY DEFECT UNDER §238-211 or § 8-211.1 of the Real Property Article;

# (II) EXPENSES VOLUNTARILY INCURRED BY THE HOUSING AUTHORITY OF BALTIMORE CITY OR THE OWNER OF A RESIDENTIAL BUILDING LOCATED IN BALTIMORE CITY TO ABATE TOXIC HAZARDS;

27 (III) EXPENSES INCURRED BY THE CITY OF BALTIMORE TO:
28 1. ENFORCE LEAD-BASED PAINT LAWS;

292.RAISE AWARENESS ABOUT THE PRESENCE OF TOXIC30SUBSTANCES IN HOUSING; AND

13.CONDUCT OUTREACH AND SCREENING EFFORTS2AIMED AT POPULATIONS AT RISK FOR POISONING FROM PAINTS AND SURFACE3COATINGS CONTAINING TOXIC SUBSTANCES;

4 (IV) THE REASONABLE FUTURE COSTS ASSOCIATED WITH THE 5 TESTING, REMOVAL, ABATEMENT, OR ELIMINATION OF TOXIC HAZARDS THAT EXIST 6 IN A RESIDENTIAL BUILDING LOCATED IN BALTIMORE CITY AT THE TIME AN ACTION 7 IS FILED; AND

8 (V) LOST RENT ATTRIBUTABLE TO THE PRESENCE OF 9 PAINT OR SURFACE COATINGS CONTAINING A TOXIC SUBSTANCE IN A RESIDENTIAL 10 BUILDING LOCATED IN BALTIMORE CITY.

11 (B) THIS SUBTITLE DOES NOT APPLY TO AN ACTION:

12 (1) AGAINST A MANUFACTURER FOR DAMAGES ARISING FROM 13 PERSONAL INJURY OR DEATH ALLEGEDLY CAUSED BY THE PRESENCE OF 14 PAINT OR SURFACE COATINGS CONTAINING A TOXIC SUBSTANCE IN A RESIDENTIAL 15 BUILDING LOCATED IN BALTIMORE CITY;

- 16 (2) AGAINST ANY PERSON OTHER THAN A MANUFACTURER; OR
- 17 (3) BROUGHT BY ANY PERSON OTHER THAN:
- 18 (I) THE CITY OF BALTIMORE;
- 19 (II) THE HOUSING AUTHORITY OF BALTIMORE CITY; OR

20 (III) AN OWNER OF A RESIDENTIAL BUILDING LOCATED IN 21 BALTIMORE CITY.

22 **3–2203.** 

23 (A) (1) IN AN ACTION UNDER THIS SUBTITLE:

24(I) A PLAINTIFF IS NOT REQUIRED TO PROVE THAT A SPECIFIC25MANUFACTURER MANUFACTURED OR PRODUCED THE TOXIC SUBSTANCE26CONTAINED IN THE PAINT OR SURFACE COATING ALLEGED TO HAVE CAUSED THE27PLAINTIFF'S HARM; AND

28(II)A MANUFACTURER MAY BE HELD LIABLE FOR DAMAGES29ALLEGEDLY CAUSED BY THE PRESENCE OF PAINT OR SURFACE COATINGS

1 CONTAINING A TOXIC SUBSTANCE IN A RESIDENTIAL BUILDING LOCATED IN BALTIMORE CITY, IF THE PLAINTIFF SHOWS THAT:  $\mathbf{2}$ 3 1. THE PLAINTIFF'S ALLEGED HARM WAS CAUSED BY A 4 TOXIC SUBSTANCE USED AS A COMPONENT OF PAINT OR SURFACE COATINGS; 2. Тне  $\mathbf{5}$ MANUFACTURER MANUFACTURED OR 6 PRODUCED THE TOXIC SUBSTANCE FOR SALE OR USE AS A COMPONENT OF PAINT OR 7 SURFACE COATINGS; AND 8 THE 3. MANUFACTURER BREACHED A LEGALLY 9 **RECOGNIZED DUTY TO THE PLAINTIFF UNDER MARYLAND LAW IN THE COURSE OF** SELLING, MANUFACTURING, PROMOTING, OR DISTRIBUTING 10 THE TOXIC SUBSTANCE. 11 12(2) IT IS A DEFENSE TO AN ACTION UNDER THIS SUBTITLE THAT THE 13 MANUFACTURER DID NOT SELL, MANUFACTURE, PROMOTE, OR DISTRIBUTE THE 14 **TOXIC SUBSTANCE:** 15**(I)** IN BALTIMORE CITY; OR 16 **(II) DURING THE TIME PERIOD WHEN THE PAINT OR SURFACE** COATING ALLEGED TO HAVE CAUSED THE PLAINTIFF'S HARM WAS APPLIED. 1718 **(B) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF** (1) MORE THAN ONE MANUFACTURER IS FOUND LIABLE IN AN ACTION UNDER THIS 19 20SUBTITLE, LIABILITY SHALL BE JOINT AND SEVERAL. 21(2) A MANUFACTURER MAY REDUCE ITS SHARE OF LIABILITY **(I)** 22UNDER A VERDICT BY SHOWING THAT THE MANUFACTURER WAS RESPONSIBLE FOR 23A PARTICULAR SHARE OF THE MARKET FOR A TOXIC SUBSTANCE DURING THE TIME 24PERIOD WHEN THE PAINT OR SURFACE COATING ALLEGED TO HAVE CAUSED THE 25PLAINTIFF'S HARM WAS APPLIED. 26**(II)** IF A MANUFACTURER SHOWS THAT THE MANUFACTURER 27WAS RESPONSIBLE FOR A PARTICULAR SHARE OF THE MARKET IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH: 28291. THE COURT SHALL REDUCE THE MANUFACTURER'S SHARE OF THE VERDICT TO BE THE SAME AS THE MANUFACTURER'S SHARE OF THE 30 31MARKET; AND 32 2. ANY MANUFACTURERS THAT HAVE NOT SHOWN THAT

 $\mathbf{5}$ 

1 THEY WERE RESPONSIBLE FOR A PARTICULAR SHARE OF THE MARKET IN 2 ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE JOINTLY 3 AND SEVERALLY RESPONSIBLE FOR THE REMAINING AMOUNT OF THE VERDICT.

4 (C) FAILURE TO JOIN A SPECIFIC MANUFACTURER IN AN ACTION UNDER 5 THIS SUBTITLE DOES NOT CONSTITUTE FAILURE TO JOIN A REQUIRED PARTY FOR 6 ANY PURPOSE.

7 (D) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A 8 COUNTERCLAIM OR CROSS-CLAIM MAY NOT BE FILED IN AN ACTION BROUGHT 9 UNDER THIS SUBTITLE.

10 (E) THIS SECTION MAY NOT BE CONSTRUED OR INTERPRETED TO PROHIBIT 11 A MANUFACTURER FROM BRINGING CLAIMS AGAINST ANOTHER MANUFACTURER 12 FOR CONTRIBUTION OR INDEMNIFICATION.

## 13 **3–2204.**

AN ACTION UNDER THIS SUBTITLE IS NOT EXCLUSIVE AND IS INDEPENDENT OF AND IN ADDITION TO ANY RIGHT, REMEDY, OR CAUSE OF ACTION AVAILABLE TO ANY PERSON OR PUBLIC ENTITY TO RECOVER DAMAGES CAUSED BY PAINT OR SURFACE COATINGS CONTAINING A TOXIC SUBSTANCE.

18 **3–2205.** 

# 19 THE GENERAL ASSEMBLY DECLARES THAT:

20 (1) THE PURPOSE OF THIS SUBTITLE IS REMEDIAL AND ESSENTIAL TO 21 THE PUBLIC INTEREST; AND

# 22 (2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THIS 23 SUBTITLE BE LIBERALLY CONSTRUED BY THE COURTS.

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

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 28 October 1, 2019.