HOUSE BILL 308

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(PRE-FILED)

1lr0424 CF SB 162

By: **Delegates Rosenberg and Cardin** Requested: July 9, 2020 Introduced and read first time: January 13, 2021

Assigned to: Judiciary

Committee Report: Favorable with amendments House action: Adopted Read second time: March 9, 2021

CHAPTER _____

1 AN ACT concerning

2 Courts – Civil Actions – Strategic Lawsuits Against Public Participation

3 FOR the purpose of altering the conditions under which a lawsuit is considered a strategic 4 lawsuit against public participation (SLAPP suit); specifying the conditions under $\mathbf{5}$ which a lawsuit is not considered a SLAPP suit; altering the conditions under which 6 a defendant in a SLAPP suit is not civilly liable for certain communications; 7 requiring a court to rule expeditiously on a certain motion to dismiss an alleged 8 SLAPP suit; establishing a plaintiff's burden in responding to a motion to dismiss an 9 alleged SLAPP suit; providing that a court may order certain discovery under certain 10 circumstances; providing for the award of certain costs and fees in connection with 11 an anti-SLAPP motion or a motion to dismiss; providing for the application of this 12Act: and generally relating to SLAPP suits.

- 13 BY repealing and reenacting, with amendments,
- 14 Article Courts and Judicial Proceedings
- 15 Section 5–807
- 16 Annotated Code of Maryland
- 17 (2020 Replacement Volume)
- 18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 19 That the Laws of Maryland read as follows:

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Article - Courts and Judicial Proceedings

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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



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 $1 \quad 5-807.$

2 (a) In this section, "SLAPP suit" means a strategic lawsuit against public 3 participation.

4 (b) [A] SUBJECT TO SUBSECTION (C) OF THIS SECTION, A lawsuit is a SLAPP 5 suit if it is [:

6 (1) Brought in bad faith against a party who has communicated with a 7 federal, State, or local government body or the public at large to report on, comment on, 8 rule on, challenge, oppose, or in any other way exercise rights under the First Amendment 9 of the U.S. Constitution or Article 10, Article 13, or Article 40 of the Maryland Declaration 10 of Rights regarding any matter within the authority of a government body or any issue of 11 public concern;

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(2) Materially related to the defendant's communication; and

13(3)Intended to inhibit or inhibits the exercise of rights under the First 14Amendment of the U.S. Constitution or Article 10, Article 13, or Article 40 of the Maryland Declaration of Rights] BROUGHT AGAINST A PERSON BASED ON AN ACT OR A 15STATEMENT OF THE PERSON THAT WAS DONE OR MADE IN FURTHERANCE OF THE 16 PERSON'S RIGHT OF PETITION OR FREE SPEECH UNDER THE UNITED STATES 1718 **CONSTITUTION OR THE MARYLAND CONSTITUTION OR DECLARATION OF RIGHTS** IN CONNECTION WITH A PUBLIC ISSUE OR AN ISSUE OF PUBLIC INTEREST, 19 20**INCLUDING A WRITTEN OR ORAL STATEMENT MADE:**

(1) BEFORE A LEGISLATIVE, EXECUTIVE, OR JUDICIAL PROCEEDING,
 OR ANY OTHER OFFICIAL PROCEEDING AUTHORIZED BY LAW;

23 (2) IN CONNECTION WITH AN ISSUE UNDER CONSIDERATION OR 24 REVIEW BY A LEGISLATIVE, EXECUTIVE, OR JUDICIAL BODY, OR ANY OTHER 25 OFFICIAL PROCEEDING AUTHORIZED BY LAW;

26 (3) IN A PLACE OPEN TO THE PUBLIC OR A PUBLIC FORUM IN 27 CONNECTION WITH AN ISSUE OF PUBLIC INTEREST; OR

28(4)TO A GOVERNMENT OFFICIAL OR AN INDIVIDUAL RUNNING FOR29PUBLIC OFFICE.

30 (C) A LAWSUIT IS NOT A SLAPP SUIT IF:

31 (1) THE LAWSUIT IS BROUGHT IN THE PUBLIC INTEREST OR ON 32 BEHALF OF THE GENERAL PUBLIC AND EACH OF THE FOLLOWING CONDITIONS 33 EXISTS:

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1 (I) EXCEPT FOR CLAIMS FOR ATTORNEY'S FEES, COSTS, OR 2 PENALTIES, THE PLAINTIFF DOES NOT SEEK ANY RELIEF GREATER THAN OR 3 DIFFERENT FROM THE RELIEF SOUGHT FOR THE GENERAL PUBLIC OR A CLASS OF 4 WHICH THE PLAINTIFF IS A MEMBER;

5 (II) THE LAWSUIT, IF SUCCESSFUL, WOULD ENFORCE AN 6 IMPORTANT RIGHT AFFECTING THE PUBLIC INTEREST AND WOULD CONFER A 7 SIGNIFICANT BENEFIT, PECUNIARY OR NONPECUNIARY, TO THE GENERAL PUBLIC 8 OR A LARGE CLASS OF PERSONS; AND

9 (III) PRIVATE ENFORCEMENT IS NECESSARY AND PLACES A 10 DISPROPORTIONATE FINANCIAL BURDEN ON THE PLAINTIFF IN RELATION TO THE 11 PLAINTIFF'S STAKE IN THE MATTER; OR

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(2) THE LAWSUIT INVOLVES A DEFENDANT WHO:

(I) PRIMARILY ENGAGES IN THE BUSINESS OF SELLING OR
 LEASING GOODS OR SERVICES, INCLUDING INSURANCE, SECURITIES, OR FINANCIAL
 INSTRUMENTS; AND

16 (II) MADE A STATEMENT OR ENGAGED IN CONDUCT THAT 17 CONSISTED OF REPRESENTATIONS OF FACT ABOUT THE DEFENDANT'S OR A 18 BUSINESS COMPETITOR'S BUSINESS OPERATIONS, GOODS, OR SERVICES:

191.FOR THE PURPOSE OF OBTAINING APPROVAL FOR,20PROMOTING, OR SECURING SALES OR LEASES OF OR COMMERCIAL TRANSACTIONS21IN THE DEFENDANT'S GOODS OR SERVICES; OR

22 2. IN THE COURSE OF DELIVERING THE DEFENDANT'S 23 GOODS OR SERVICES IS ALLEGED TO HAVE MADE A STATEMENT OR ENGAGED IN 24 CONDUCT THAT DISPARAGES A BUSINESS COMPETITOR'S BUSINESS OPERATIONS, 25 GOODS, OR SERVICES.

26[(c)] **(D)** A defendant in a SLAPP suit is not civilly liable for communicating with a federal, State, or local government body or the public at large, if the defendant, without 2728constitutional malice, [reports on, comments on, rules on, challenges, opposes, or in any 29other way exercises rights under the First Amendment of the U.S. Constitution or Article 10, Article 13, or Article 40 of the Maryland Declaration of Rights] ACTED IN 30 FURTHERANCE OF THE PERSON'S RIGHT OF PETITION OR FREE SPEECH UNDER THE 3132 UNITED STATES CONSTITUTION OR THE MARYLAND CONSTITUTION OR **DECLARATION OF RIGHTS** regarding any matter within the authority of a government 33 body or any PUBLIC issue OR ISSUE of public [concern] INTEREST. 34

35 [(d)] (E) (1) A defendant in an alleged SLAPP suit may move to:

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1 [(1)] (I) Dismiss the alleged SLAPP suit, in which case the court shall 2 hold a hearing on the motion to dismiss as soon as practicable AND RULE EXPEDITIOUSLY; 3 or

4 [(2)] (II) Stay all court proceedings until the matter about which the 5 defendant communicated to the government body or the public at large is resolved.

6 (2) IT IS THE PLAINTIFF'S BURDEN IN RESPONDING TO A MOTION TO 7 DISMISS TO SHOW THAT THE ALLEGED SLAPP SUIT HAS SUBSTANTIAL 8 JUSTIFICATION IN LAW AND FACT.

9 (3) (I) IF IT APPEARS LIKELY THAT TARGETED DISCOVERY WILL 10 ENABLE THE PLAINTIFF TO DEFEAT THE MOTION AND THAT THE DISCOVERY WILL 11 NOT BE UNDULY BURDENSOME, THE COURT MAY ORDER THAT SPECIFIED TARGETED 12 DISCOVERY BE CONDUCTED.

(II) AN ORDER UNDER THIS SECTION SHALL BE CONDITIONED
 ON THE PLAINTIFF PAYING ANY EXPENSES INCURRED BY THE DEFENDANT IN
 RESPONDING TO THE DISCOVERY.

16 (4) (1) IF THE COURT ORDERS DISMISSAL OF A SLAPP SUIT 17 UNDER THIS SECTION, THE COURT SHALL AWARD THE MOVING PARTY COSTS AND 18 REASONABLE ATTORNEY'S FEES, INCLUDING THOSE INCURRED IN MAKING THE 19 MOTION TO DISMISS GRANTS AN ANTI-SLAPP MOTION, THE COURT SHALL AWARD 20 COSTS AND REASONABLE ATTORNEY'S FEES TO THE MOVING PARTY IF THE COURT 21 DETERMINES THAT JUSTICE AND EQUITY REQUIRE IT.

22(II)IF THE COURT FINDS THAT A MOTION TO DISMISS IS23FRIVOLOUS OR SOLELY INTENDED TO CAUSE UNNECESSARY DELAY, THE COURT MAY24AWARD COSTS AND REASONABLE ATTORNEY'S FEES TO THE RESPONDING PARTY.

- 25 [(e)] (F) This section:
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- (1) Is applicable to SLAPP suits notwithstanding any other law or rule; and

(2) Does not diminish any equitable or legal right or remedy otherwiseavailable to a defendant in a SLAPP suit.

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

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 33 October 1, 2021.

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