HOUSE BILL 70

D3 HB 308/21 – JUD

(PRE-FILED)

2lr0308 CF 2lr0309

By: **Delegate Rosenberg** Requested: July 26, 2021 Introduced and read first time: January 12, 2022 Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

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Courts – Strategic Lawsuits Against Public Participation

- FOR the purpose of altering the conditions under which a lawsuit is a strategic lawsuit
 against public participation (SLAPP suit); altering the conditions under which a
 defendant in a SLAPP suit is not civilly liable for certain communications;
 establishing certain standards and requirements relating to a motion to dismiss an
 alleged SLAPP suit; and generally relating to SLAPP suits.
- 8 BY repealing and reenacting, with amendments,
- 9 Article Courts and Judicial Proceedings
- 10 Section 5–807
- 11 Annotated Code of Maryland
- 12 (2020 Replacement Volume and 2021 Supplement)

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

- 15 Article Courts and Judicial Proceedings
- 16 5-807.

17 (a) In this section, "SLAPP suit" means a strategic lawsuit against public 18 participation.

19 (b) [A] SUBJECT TO SUBSECTION (C) OF THIS SECTION, A lawsuit is a SLAPP 20 suit if it is [:

21 (1) Brought in bad faith against a party who has communicated with a 22 federal, State, or local government body or the public at large to report on, comment on,

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



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rule on, challenge, oppose, or in any other way exercise rights under the First Amendment of the U.S. Constitution or Article 10, Article 13, or Article 40 of the Maryland Declaration of Rights regarding any matter within the authority of a government body or any issue of public concern;

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

6 Intended to inhibit or inhibits the exercise of rights under the First (3)7Amendment 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 8 STATEMENT OF THE PERSON THAT WAS DONE OR MADE IN FURTHERANCE OF THE 9 PERSON'S RIGHT OF PETITION OR FREE SPEECH UNDER THE UNITED STATES 10 CONSTITUTION OR THE MARYLAND CONSTITUTION OR DECLARATION OF RIGHTS 11 12IN CONNECTION WITH A PUBLIC ISSUE OR AN ISSUE OF PUBLIC INTEREST, 13 **INCLUDING A WRITTEN OR ORAL STATEMENT MADE:**

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

16 (2) IN CONNECTION WITH AN ISSUE UNDER CONSIDERATION OR 17 REVIEW BY A LEGISLATIVE, EXECUTIVE, OR JUDICIAL BODY, OR ANY OTHER 18 OFFICIAL PROCEEDING AUTHORIZED BY LAW;

19(3) IN A PLACE OPEN TO THE PUBLIC OR A PUBLIC FORUM IN20CONNECTION WITH AN ISSUE OF PUBLIC INTEREST; OR

21(4)TO A GOVERNMENT OFFICIAL OR AN INDIVIDUAL RUNNING FOR22PUBLIC OFFICE.

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

24(1)THE LAWSUIT IS BROUGHT IN THE PUBLIC INTEREST OR ON25BEHALF OF THE GENERAL PUBLIC AND EACH OF THE FOLLOWING CONDITIONS26EXISTS:

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

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

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1 (III) PRIVATE ENFORCEMENT IS NECESSARY AND PLACES A 2 DISPROPORTIONATE FINANCIAL BURDEN ON THE PLAINTIFF IN RELATION TO THE 3 PLAINTIFF'S STAKE IN THE MATTER; OR

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(2) THE LAWSUIT INVOLVES A DEFENDANT WHO:

5 (I) PRIMARILY ENGAGES IN THE BUSINESS OF SELLING OR 6 LEASING GOODS OR SERVICES, INCLUDING INSURANCE, SECURITIES, OR FINANCIAL 7 INSTRUMENTS; AND

8 (II) 1. MADE A STATEMENT OR ENGAGED IN CONDUCT THAT 9 CONSISTED OF REPRESENTATIONS OF FACT ABOUT THE DEFENDANT'S OR A 10 BUSINESS COMPETITOR'S BUSINESS OPERATIONS, GOODS, OR SERVICES FOR THE 11 PURPOSE OF OBTAINING APPROVAL FOR, PROMOTING, OR SECURING SALES OR 12 LEASES OF OR COMMERCIAL TRANSACTIONS IN THE DEFENDANT'S GOODS OR 13 SERVICES; OR

142. IN THE COURSE OF DELIVERING THE DEFENDANT'S15GOODS OR SERVICES IS ALLEGED TO HAVE MADE A STATEMENT OR ENGAGED IN16CONDUCT THAT DISPARAGES A BUSINESS COMPETITOR'S BUSINESS OPERATIONS,17GOODS, OR SERVICES.

A defendant in a SLAPP suit is not civilly liable for communicating with 18 [(c)] **(D)** a federal, State, or local government body or the public at large, if the defendant, without 19 20constitutional malice, [reports on, comments on, rules on, challenges, opposes, or in any other way exercises rights under the First Amendment of the U.S. Constitution or Article 2110, Article 13, or Article 40 of the Maryland Declaration of Rights] ACTED IN 22FURTHERANCE OF THE PERSON'S RIGHT OF PETITION OR FREE SPEECH UNDER THE 2324UNITED STATES CONSTITUTION OR THE MARYLAND CONSTITUTION OR 25**DECLARATION OF RIGHTS** regarding any matter within the authority of a government 26body or any PUBLIC issue OR ISSUE of public [concern] INTEREST.

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

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

31 [(2)] (II) Stay all court proceedings until the matter about which the 32 defendant communicated to the government body or the public at large is resolved.

33 (2) IT IS THE PLAINTIFF'S BURDEN IN RESPONDING TO A MOTION TO 34 DISMISS TO SHOW THAT THE ALLEGED SLAPP SUIT HAS SUBSTANTIAL 35 JUSTIFICATION IN LAW AND FACT. HOUSE BILL 70

1 (3) (I) IF IT APPEARS LIKELY THAT DISCOVERY WILL ENABLE THE 2 PLAINTIFF TO DEFEAT A MOTION TO DISMISS AND THAT THE DISCOVERY WILL NOT 3 BE UNDULY BURDENSOME, THE COURT MAY ORDER THAT SPECIFIED DISCOVERY BE 4 CONDUCTED.

5 (II) AN ORDER UNDER THIS PARAGRAPH SHALL BE 6 CONDITIONED ON THE PLAINTIFF PAYING ANY EXPENSES INCURRED BY THE 7 DEFENDANT IN RESPONDING TO THE DISCOVERY.

8 (4) (I) IF THE COURT GRANTS AN ANTI-SLAPP MOTION, THE 9 COURT SHALL AWARD COSTS AND REASONABLE ATTORNEY'S FEES TO THE MOVING 10 PARTY IF THE COURT DETERMINES THAT JUSTICE AND EQUITY REQUIRE IT.

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

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

16 (2) Does not diminish any equitable or legal right or remedy otherwise 17 available to a defendant in a SLAPP suit.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to 19 apply only prospectively and may not be applied or interpreted to have any effect on or 20 application to any cause of action arising before the effective date of this Act.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 22 October 1, 2022.