D3 HB 129/23 – JUD

By: **Delegates Rosenberg, Cardin, and Kaufman** Introduced and read first time: January 17, 2024 Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

 $\mathbf{2}$

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 2023 Supplement)
- 13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 14 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 [:

(1) Brought in bad faith against a party who has communicated with a
 federal, State, or local government body or the public at large to report on, comment on,
 rule on, challenge, oppose, or in any other way exercise rights under the First Amendment

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



4lr1814

1 of the U.S. Constitution or Article 10, Article 13, or Article 40 of the Maryland Declaration

- 2 of Rights regarding any matter within the authority of a government body or any issue of 3 public concern;
- 4

 $\mathbf{2}$

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

Intended to inhibit or inhibits the exercise of rights under the First $\mathbf{5}$ (3)Amendment of the U.S. Constitution or Article 10, Article 13, or Article 40 of the Maryland 6 Declaration of Rights] BROUGHT AGAINST A PERSON BASED ON AN ACT OR A 7 STATEMENT OF THE PERSON THAT WAS DONE OR MADE IN FURTHERANCE OF THE 8 9 PERSON'S RIGHT OF PETITION OR FREE SPEECH UNDER THE U.S. CONSTITUTION, 10 THE MARYLAND CONSTITUTION, OR THE MARYLAND DECLARATION OF RIGHTS IN CONNECTION WITH A PUBLIC ISSUE OR AN ISSUE OF PUBLIC INTEREST, INCLUDING 11 12 A WRITTEN OR ORAL STATEMENT MADE:

13(1)**BEFORE A LEGISLATIVE, EXECUTIVE, OR JUDICIAL PROCEEDING**14OR ANY OTHER OFFICIAL PROCEEDING AUTHORIZED BY LAW;

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

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

20 (4) TO A GOVERNMENT OFFICIAL OR AN INDIVIDUAL RUNNING FOR 21 PUBLIC OFFICE.

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

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

26 (I) EXCEPT FOR CLAIMS FOR ATTORNEY'S FEES, COSTS, OR 27 PENALTIES, THE PLAINTIFF DOES NOT SEEK ANY RELIEF GREATER THAN OR 28 DIFFERENT FROM THE RELIEF SOUGHT FOR THE GENERAL PUBLIC OR A CLASS OF 29 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

34

(III) PRIVATE ENFORCEMENT IS NECESSARY AND PLACES A

1 DISPROPORTIONATE FINANCIAL BURDEN ON THE PLAINTIFF IN RELATION TO THE 2 PLAINTIFF'S STAKE IN THE MATTER; OR

3

(2) THE LAWSUIT INVOLVES A DEFENDANT WHO:

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

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

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

17A defendant in a SLAPP suit is not civilly liable for communicating with [(c)] **(D)** a federal, State, or local government body or the public at large, if the defendant, without 18 constitutional malice, [reports on, comments on, rules on, challenges, opposes, or in any 19 other way exercises rights under the First Amendment of the U.S. Constitution or Article 202110, Article 13, or Article 40 of the Maryland Declaration of Rights] ACTED IN FURTHERANCE OF THE DEFENDANT'S RIGHT OF PETITION OR FREE SPEECH UNDER 22THE U.S. CONSTITUTION, THE MARYLAND CONSTITUTION, OR THE MARYLAND 2324**DECLARATION OF RIGHTS** regarding any matter within the authority of a government body or any PUBLIC issue OR ISSUE of public [concern] INTEREST. 25

26 [(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

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

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

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.

11(II)IF THE COURT FINDS THAT A MOTION TO DISMISS IS12FRIVOLOUS OR SOLELY INTENDED TO CAUSE UNNECESSARY DELAY, THE COURT MAY13AWARD COSTS AND REASONABLE ATTORNEY'S FEES TO THE RESPONDING PARTY.

- 14 **[**(e)**] (F)** This section:
- 15

(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, 2024.

4