# **Department of Legislative Services**

Maryland General Assembly 2025 Session

## FISCAL AND POLICY NOTE First Reader

Senate Bill 642 Judicial Proceedings (Senator Gallion, et al.)

#### **Courts - Prohibited Liability Agreements - Indoor Trampoline Parks**

This bill limits application of § 5-401.2 of the Courts and Judicial Proceedings Article (Chapter 941 of 2024) to an indoor trampoline park.

#### **Fiscal Summary**

**State Effect:** Assuming that the existing statutory provisions do not affect State liability, the bill is not expected to materially affect State expenditures, as discussed below. Revenues are not affected.

**Local Effect:** Assuming that the existing statutory provisions do not affect local liability, the bill is not expected to materially affect local expenditures, as discussed below. Revenues are not affected.

Small Business Effect: Potential meaningful.

#### **Analysis**

**Bill Summary/Current Law:** Pursuant to Chapter 941 (Senate Bill 452) of 2024, § 5-401.2 of the Courts and Judicial Proceedings Article establishes that, except for a health club services agreement for services to be rendered for an adult, any provision in a contract or agreement relating to the use of a "recreational facility" that purports to limit the recreational facility's liability or release the recreational facility from, or indemnify or hold harmless the recreational facility against, liability for injury caused by or resulting from the negligence or other wrongful act of the recreational facility (or its agents or on-duty employees) is against public policy and is void and unenforceable.

A "recreational facility" is a commercial recreational facility, a commercial athletic facility, or an amusement attraction. Gymnasiums and swimming pools are specifically included as recreational facilities under the statute. However, the following are specifically excluded from the definition of a "recreational facility": (1) a "lodging establishment" that does not own, maintain, or operate a recreational facility that is available for use by the general public; and (2) a unit of State or local government that leases land or facilities to a recreational facility. These provisions may not be interpreted to affect, extend, or limit the liability of a governmental entity for a tort or other claim subject to the Maryland Tort Claims Act (Title 12, Subtitle 1 of the State Government Article) or the Local Government Tort Claims Act (Title 5, Subtitle 3 of the Courts and Judicial Proceedings Article).

The bill (1) repeals the definition of a recreational facility and the exemption for health club services agreements and (2) replaces references to a recreational facility with references to an indoor trampoline park.

While the Courts and Judicial Proceedings Article does not contain a definition of "amusement attraction," for purposes of the Business Regulation Title, an "amusement attraction" is defined as (1) an amusement ride or (2) a structure that gives amusement, excitement, pleasure, or thrills to people who move around, over, or through the structure without the aid of a moving device integral to the structure. "Amusement attraction" does not include a structure that is devoted principally to exhibitions related to agriculture, the arts, education, industry, religion, or science.

**State and Local Expenditures:** As noted in the fiscal and policy note for Senate Bill 452 of 2024, the language of the existing statute was not abundantly clear regarding its application to State and local governments, and the full extent to which State agencies and local governments use the types of agreements affected was unknown. Regardless, some State agencies indicated that the legislation had minimal or no fiscal impact or advised that the entire language of the legislation appeared to indicate that their existing contractual language would not be rendered void.

Assuming that the existing statute does not affect State or local liability and that the State and local governments do not own or operate indoor trampoline parks, the bill is not expected to materially affect State and local expenditures.

The State Treasurer's Office, the Department of Agriculture, and the Office of the Attorney General advise that they do not anticipate a fiscal and/or operational impact from the bill. The Department of Natural Resources indicates that it does not have any indoor trampoline parks in its portfolio.

**Small Business Effect:** The bill may have a meaningful effect on small businesses that are exempted from the existing statutory provisions as a result of the bill.

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Municipal League; Office of the Attorney General; Maryland State Treasurer's Office; Judiciary (Administrative Office of the Courts); Maryland Department of Agriculture; Department of Natural Resources; Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2025

caw/jkb

Analysis by: Amy A. Devadas Direct Inquiries to:

(410) 946-5510 (301) 970-5510