



Senate Bill 871 -- *Civil Actions - Punitive Damage Awards - Surcharge*
Senate Judicial Proceedings Committee
March 11, 2026
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes Senate Bill 871 -- *Civil Actions - Punitive Damage Awards - Surcharge*.

Senate Bill 871 establishes that punitive damages may be awarded in a civil action alleging negligence only if the plaintiff proves by clear and convincing evidence that the defendant acted with gross negligence. Additionally, this bill would allow courts to assess an additional surcharge up to 50% of the value of the punitive damages award.

This bill would expose Maryland businesses to a significantly higher risk of large punitive awards across multiple industries, reducing the state's overall competitiveness. Unlike noneconomic damages, punitive damages are unlimited, and lowering the standard for awarding these uncapped damages, while also imposing a 50% surcharge, would further harm Maryland's business climate.

Maintaining a fair, stable, and predictable tort environment is essential to economic growth. Expanding exposure and financial liability, as the bill proposes, could be especially damaging to businesses and contribute to a broader perception that Maryland is a less business-friendly state.

Maryland's business climate is shaped by many factors, with the legal and tort environment playing a key role. When companies evaluate where to grow or relocate, the predictability and fairness of a state's tort system are major considerations. To remain competitive with neighboring and peer states, Maryland must ensure that its tort climate, alongside taxation, regulatory structure, education, and transportation infrastructure, supports long-term economic growth and continues to attract investment.

For these reasons, the Montgomery County Chamber of Commerce opposes Senate Bill 871 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

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