

HOUSE BILL 49

D3

4lr0437

(PRE-FILED)

By: **Delegate Norman**

Requested: August 27, 2013

Introduced and read first time: January 8, 2014

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Breach of Contract – Attorney’s Fees**

3 FOR the purpose of providing that an award of attorney’s fees in an action for breach
4 of contract shall be in accordance with the terms of a written contract under
5 certain circumstances; establishing that attorney’s fees equal to a certain
6 percentage of recovery shall be presumed reasonable in an action for breach of
7 contract under certain circumstances; providing for the application of this Act;
8 and generally relating to an action for breach of contract and an award of
9 attorney’s fees.

10 BY adding to

11 Article – Courts and Judicial Proceedings

12 Section 6–412

13 Annotated Code of Maryland

14 (2013 Replacement Volume and 2013 Supplement)

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

17 **Article – Courts and Judicial Proceedings**

18 **6–412.**

19 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN AWARD OF**
20 **ATTORNEY’S FEES FOR THE SUCCESSFUL PROSECUTION OF AN ACTION FOR**
21 **BREACH OF CONTRACT SHALL BE IN ACCORDANCE WITH THE TERMS OF A**
22 **WRITTEN CONTRACT BETWEEN THE PARTIES.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) ATTORNEY'S FEES EQUAL TO 15% OF A RECOVERY IN AN ACTION**
2 **FOR BREACH OF CONTRACT SHALL BE PRESUMED TO BE REASONABLE IF:**

3 **(1) A PARTY SEEKING ATTORNEY'S FEES FILES AN AFFIDAVIT**
4 **STATING THAT A WRITTEN AGREEMENT EXISTS BETWEEN THE PARTY AND THE**
5 **PARTY'S ATTORNEY THAT REQUIRES THE PARTY TO PAY ATTORNEY'S FEES OF**
6 **AT LEAST 15% OF THE RECOVERY IN THE ACTION; AND**

7 **(2) THE WRITTEN CONTRACT BETWEEN THE PARTIES IN THE**
8 **ACTION REQUIRES PAYMENT OF:**

9 **(I) REASONABLE ATTORNEY'S FEES; OR**

10 **(II) ATTORNEY'S FEES CALCULATED AS A PERCENTAGE OF**
11 **ANY RECOVERY IN THE ACTION.**

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

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2014.