

SENATE BILL 137

I4, D3

2lr0821

By: **Senator Zirkin**

Introduced and read first time: January 18, 2012

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Contract Provisions – Payment of Legal Fees**

3 FOR the purpose of authorizing a contract to contain a provision for the payment of
4 legal fees by the losing party in a certain legal action only if the provision is
5 equally applicable to both parties to the contract; providing for the application
6 of this Act; and generally relating to provisions for the payment of legal fees in
7 contracts.

8 BY adding to

9 Article – Commercial Law

10 Section 24–101 to be under the new title “Title 24. Contract Provisions –
11 Payment of Legal Fees”

12 Annotated Code of Maryland

13 (2005 Replacement Volume and 2011 Supplement)

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

16 **Article – Commercial Law**

17 **TITLE 24. CONTRACT PROVISIONS – PAYMENT OF LEGAL FEES.**

18 **24–101.**

19 **A CONTRACT MAY CONTAIN A PROVISION FOR THE PAYMENT OF LEGAL**
20 **FEES BY THE LOSING PARTY IN A LEGAL ACTION INVOLVING THE PARTIES TO**
21 **THE CONTRACT ONLY IF THE PROVISION IS EQUALLY APPLICABLE TO BOTH**
22 **PARTIES TO THE CONTRACT.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
2 contracts entered into on or after the effective date of this Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2012.