

Uniform Arbitration Act

Md. Courts & Judicial Proceedings. §§ 3-201 - 3-234

COURTS AND JUDICIAL PROCEEDINGS

TITLE 3. COURTS OF GENERAL JURISDICTION

JURISDICTION/SPECIAL CAUSES OF ACTION

SUBTITLE 2. ARBITRATION AND AWARD

§ 3-201. Definitions

- a. In general. – In this subtitle, the following terms have the meanings indicated.
- b. Court. – "Court" means a court of equity.
- c. Guardian. – "Guardian" means a person appointed by a court as guardian of the person or property or both of a disabled person.
- d. Personal representative. – "Personal representative" means an executor, administrator, or special administrator.

§ 3-202. Jurisdiction

An agreement providing for arbitration under the law of the State confers jurisdiction on a court to enforce the agreement and enter judgment on an arbitration award.

§ 3-203. Venue

- a. Filing initial petition. –an initial petition shall be filed with the court in the county:
 1. As provided by the agreement; or
 2. Where the arbitration hearing was held.
- b. Additional venue. – If the agreement does not provide for a county in which the petition shall be filed or if the hearing has not been held, the petition shall be filed with the court in the county where:
 1. The adverse party resides;
 2. Has a place of business; or
 3. If he has neither a residence nor a place of business in the State, in any county.
- c. Filing subsequent petition. – A subsequent petition shall be filed with the court hearing the initial petition unless the court directs otherwise.

§ 3-204. Determination to be made without jury

The court shall make any determination provided for in this subtitle without a jury.

§ 3-205. Petition and notice

- a. Petition. – Except as otherwise provided, a petition under this subtitle shall be heard in the manner and upon the notice provided by law or rule of court for the procedures when a petition is filed in an action.
- b. Notice. – Unless the parties agree otherwise, notice of the initial petition for an order shall be served in the manner provided by law or rule of court for the service of summons in an action.

§ 3-206. Validity of arbitration agreements; agreements between employers and employees

- a. Validity. – A written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy arising between the parties in the future is valid and enforceable, and is irrevocable, except upon grounds that exist at law or in equity for the revocation of a contract.
- b. Agreement between employers and employees. – This subtitle does not apply to an arbitration agreement between employers and employees or between their respective representatives unless it is expressly provided in the agreement that this subtitle shall apply.

§ 3-207. Order to arbitrate

- a. Refusal to arbitrate. – If a party to an arbitration agreement described in § 3-202 refuses to arbitrate, the other party may file a petition with a court to order arbitration.
- b. Denial of existence of arbitration agreement. – If the opposing party denies existence of an arbitration agreement, the court shall proceed expeditiously to determine if the agreement exists.
- c. Determination by court. – If the court determines that the agreement exists, it shall order arbitration. Otherwise it shall deny the petition.

§ 3-208. Stay of arbitration

- a. Petition to stay. – If a party denies existence of the arbitration agreement, he may petition a court to stay commenced or threatened arbitration proceedings.
- b. Filing of petition. –
 1. petition to stay arbitration shall be filed with the court where a petition to order arbitration has been filed.
 2. If a petition for order to arbitrate has not been filed, the petition to stay arbitration may be filed in any court subject to venue provisions of Title 6 of this article.

- c. Determination of existence of arbitration agreement. – If the court determines that existence of the arbitration agreement is in substantial and bona fide dispute, it shall try this issue promptly and order a stay if it finds for the petitioner. If the court finds for the adverse party, it shall order the parties to proceed with arbitration.

§ 3-209. Stay of proceedings

- a. Conditions for stay. – A court shall stay any action or proceeding involving an issue subject to arbitration if:
 - 1. A petition for order to arbitrate has been filed; or
 - 2. An order for arbitration has been made.
- b. Severability of issue. – If the issue subject to arbitration is severable, the court may order the stay with respect to this issue only.
- c. Order to include stay. – If a petition to stay has been filed with a court where any action or proceeding concerning arbitration is pending, the court's order to arbitrate shall include the stay.

§ 3-210. When order not to be refused

An order for arbitration shall not be refused or an arbitration proceeding stayed;

- 1. On the ground that the claim in issue lacks merit or bona fides; or
- 2. Because a valid basis for the claim sought to be arbitrated has not been shown.

§ 3-211. Appointment of arbitrators

- a. Appointment by agreement. – If the arbitration agreement provides a method of appointment of arbitrators, this method shall be followed.
- b. Petition to appoint. – In the absence of a provision in the agreement, a party may file a petition with a court to appoint one or more arbitrators.
- c. Appointment by court. – a court shall appoint one or more arbitrators if:
 - 1. The arbitration agreement does not provide a method of appointment;
 - 2. The agreed method fails or for any reason cannot be followed; or
 - 3. An appointed arbitrator fails or is unable to act and his successor has not been appointed.
- d. Powers of court appointed arbitrator. – A court appointed arbitrator has all the powers of an arbitrator specifically named in the agreement.

§ 3-212. Exercise of power by majority of arbitrators

The powers of the arbitrators may be exercised by a majority unless provided otherwise by the agreement or by this subtitle.

§ 3-213. Arbitration hearing and notice

- a. Designation of time and place for hearing; notice. –
 - 1. Unless the agreement provides otherwise, the arbitrators shall designate a time and place for hearing and notify the parties, personally or by certified mail, return receipt requested, bearing a postmark from the United States Postal Service, not less than five days before the hearing.
 - 2. Appearance at the hearing waives the notice.
- b. Hearing. –
 - 1. Except as provided in § 3-215 (b), the arbitration hearing shall be conducted by all the arbitrators.
 - 2. The arbitrators may adjourn the hearing from time to time as necessary.
 - 3. Upon request of a party and for good cause shown or on their own motion, the arbitrators may postpone the hearing to a time not later than the date set by the agreement for the award, unless the parties consent to a later date.
- c. Determination of controversy. – The arbitrators may hear and determine the controversy upon the evidence produced notwithstanding the failure of a party duly notified to appear.
- d. Petition of party. – On petition of a party, the court may direct the arbitrators to proceed promptly with the hearing and determination of the controversy.

§ 3-214. Rights of parties at arbitration hearing; rules of evidence

- a. In general. – At an arbitration hearing, the parties have the right:
 - 1. To be heard;
 - 2. To present evidence material to the controversy; and
 - 3. To cross examine witnesses who appear at the hearing.
- b. Arbitrators not bound by rules of evidence. – Arbitrators are not bound by the technical rules of evidence.

§ 3-215. Determination by arbitrators

- a. Determination by majority of arbitrators. – The majority of the arbitrators may determine any question and render a final award.
- b. Determination by remaining arbitrators. – If an arbitrator for any reason ceases to act during the course of the arbitration hearing, the remaining arbitrators or arbitrator appointed to act as neutral, may continue with a hearing and the determination of the controversy.

§ 3-216. Right to be represented by attorney; when waiver ineffective

- a. Representation by attorney. – A party has the right to be represented by an attorney at any proceeding or hearing under this subtitle.
- b. When waiver ineffective. – A waiver of the right to be represented by an attorney prior to the proceeding or hearing is ineffective.

§ 3-217. Authority of arbitrators to issue subpoenas and administer oath; service of subpoenas

- a. Issuance of subpoenas. – The arbitrators may issue subpoenas for the attendance of witnesses and for the production of books, records, documents, and other evidence, and have the power to administer oaths.
- b. Oath. – At the arbitration hearing a witness shall be sworn:
 - 1. At the request of a party; or
 - 2. At the request of a majority of the arbitrators.
- c. Enforcement of subpoenas. –
 - 1. A party or the arbitrators may file a petition with a court to enforce a subpoena.
 - 2. A subpoena shall be enforced in the manner provided by law or rule for the enforcement of subpoenas in a civil action.
- d. Provision of law applicable. – All provisions of law which compel a person under subpoena to testify apply to proceedings under this subtitle.

§ 3-218. Depositions

On application of a party and for use as evidence, the arbitrators may permit a deposition to be taken in the manner and upon the terms designated by the arbitrators if:

- 1. The witness cannot be subpoenaed; or
- 2. The witness is unable to attend a hearing.

§ 3-219. Arbitration award

- a. Award to be in writing. – The arbitration award shall be in writing and signed by the arbitrators who joined in the award.
- b. Time for award. –
 - 1. The arbitration award shall be made within the time set by the agreement.
 - 2. If the agreement does not set a time, a party may petition a court to set the time.
 - 3. The parties may extend the time for making an award in writing at any time.
- c. Delivery of copies. – The arbitrators shall deliver a copy of the award to each party:
 - 1. As provided in the agreement;
 - 2. Personally; or
 - 3. By certified mail, return receipt requested, bearing a postmark from the United States Postal Service.
- d. Waiver of objections. – A party waives the objection that an award was not made within the time required unless he notifies the arbitrators of his objection prior to the delivery of the award to him.

§ 3-220. Witness fees; transcript of proceedings

- a. Witness fees. – Fees for attendance as a witness are the same as for a witness in the circuit courts of the State.
- b. Transcript. – The arbitrators may, and on application of a party shall, order that part or all of the proceedings be transcribed. The record made from the transcript shall be available to either side for purpose of appeal or otherwise.

§ 3-221. Expenses and fees

- a. Arbitrators. – Unless the arbitration agreement provides otherwise, the award shall provide for payment of the arbitrators' expenses, fees, and any other expense incurred in the conduct of the arbitration.
- b. Counsel fees. – Unless the arbitration agreement provides otherwise, the award may not include counsel fees.

§ 3-222. Modification or correction of award

- a. Application. – A party may apply to the arbitrators to modify or correct an award within 20 days after delivery of the award to the applicant.

- b. Notice of application. – A written notice of an application to modify or correct the award shall be given to the opposing party, stating that he shall serve any objection to the application within ten days.
- c. Grounds for modification. – The arbitrators may modify or correct an award:
 - 1. On the grounds stated in § 3-223 (b) (1), (2), or (3); or
 - 2. For the purpose of clarity.
- d. Modification of award and court's order. – The arbitrators shall modify or correct an award consistent with the order of court, if a petition under § 3-223, § 3-224, or § 3-227 is pending.
- e. Modified award subject to provisions of this subtitle. – The modified or corrected award is subject to the provisions of § 3-223, § 3-224, and § 3-227 of this subtitle.

§ 3-223. Correction or modification of award by court

- a. Petition. – A petition to modify or correct the award shall be filed within 90 days after delivery of a copy of the award to the applicant.
- b. Conditions for modification or correction of award. – The court shall modify or correct the award if:
 - 1. There was an evident miscalculation of figures or an evident mistake in the description of any person, thing, or property referred to in the award;
 - 2. The arbitrators have awarded upon a matter not submitted to them and the award may be corrected without affecting the merits of the decision upon the issues submitted; or
 - 3. The award is imperfect in a matter of form, not affecting the merits of the controversy.
- c. Confirmation of award. – If the petition is granted, the court shall modify or correct the award to effect its intent and confirm the award as modified or corrected. Otherwise, the court shall confirm the award as made.
- d. Joinder of application. – An application to modify or correct and award may be joined, in the alternative, with an application to vacate the award.

§ 3-224. Vacating award

- a. Petition. –
 - 1. (1) Except as provided in paragraph (2), a petition to vacate the award shall be filed within 30days after delivery of a copy of the award to the petitioner.

2. If a petition alleges corruption, fraud, or other undue means it shall be filed within 30 days after the grounds become known or should have been known to the petitioner.

b. Grounds. – The court shall vacate an award if:

1. An award was procured by corruption, fraud, or other undue means;
2. There was evident partiality by an arbitrator appointed as a neutral, corruption in any arbitrator, or misconduct prejudicing the rights of any party;
3. The arbitrators exceeded their powers;
4. The arbitrators refused to postpone the hearing upon sufficient cause being shown for the postponement, refused to hear evidence material to the controversy, or otherwise so conducted the hearing, contrary to the provisions of § 3-213, as to prejudice substantially the rights of a party; or
5. There was no arbitration agreement as described in § 3-206, the issue was not adversely determined in proceedings under § 3-208, and the party did not participate in the arbitration hearing without raising the objection.

c. When award not to be vacated. – The court shall not vacate the award or refuse to confirm the award on the ground that a court of law or equity could not or would not grant the same relief.

§ 3-225. Rehearing before arbitrators

- a. New arbitrators. – If any award is vacated on grounds other than those stated in § 3-224 (b) (5), the court may order a rehearing before new arbitrators selected by the parties as provided by the agreement, or by the court in the absence of an agreement as provided in § 3-211.
- b. Same arbitrators. – If the award is vacated on grounds set forth in § 3-224 (b) (3) and (4), the court may order a rehearing before the arbitrators who made the award or their successors appointed in accordance with § 3-211.
- c. Time. – The time within which the agreement requires the award to be made is applicable to the rehearing and commences from the date of the order or at a time specified by the court.

§ 3-226. Denial of petition to vacate

If an application to vacate is denied and no motion to modify or correct the award is pending, the court shall confirm the award.

§ 3-227. Confirmation of award by court

- a. Petition. – A party may petition the court to confirm the award.
- b. Action by court. – The court shall confirm the award, unless the other party has filed an application to vacate, modify, or correct the award within the time provided in §§ 3-222 and 3-223.
- c. Proceedings when award not confirmed. – If an application to vacate, modify, or correct the award has been filed, the court shall proceed as provided in §§ 3-223 and 3-224.

§ 3-228. Judgment, costs and disbursements

- a. Entering of judgment; enforcement of judgment. –
 - 1. (1) If an order confirming, modifying, or correcting an award is granted, a judgment shall be entered in conformity with the order.
 - 2. The judgment may be enforced as any other judgment.
- b. Costs and disbursements. – A court may award costs of the petition, the subsequent proceedings, and disbursements.

§ 3-229. Death or incompetence of party

- a. Deceased party. – Notwithstanding the death of a party who made a written agreement to submit a controversy to arbitration, the arbitration proceedings may begin or continue if an application has been filed by or notice given to his personal representative.
- b. Party under disability. – If a guardian has been appointed, the proceedings may be continued:
 - 1. Upon the application of the guardian; or
 - 2. Upon the notice to the guardian.
- c. Extension of time. – Upon the death or incompetence of a party, the court may extend the time within which a petition to confirm, vacate, or modify the award, or to stay arbitration, must be made.
- d. Subsequent proceedings. – If a party dies after an award was delivered, the subsequent proceedings are the same as where a party dies after a verdict.

§ 3-230. Proceedings upon death of a party

- a. Notice. – If a party dies before an award is returned and judgment rendered, the cause does not abate and the arbitrators shall give a reasonable notice of the pending proceedings to the personal representative.
- b. Award and judgment. – Notwithstanding the death of a party, the arbitrators shall proceed with a determination and return their award upon which judgment may be entered.

§ 3-231. Subtitle not retroactive

This subtitle applies only to agreements made after May 31, 1965.

§ 3-232. Uniformity of interpretation

This subtitle shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of the states which enact it.

§ 3-233. Severability [Repealed]

Repealed by Acts 1974, ch. 691, § 5. Effective July 1, 1974.

§ 3-234. Short title

This subtitle may be cited as the Maryland Uniform Arbitration Act.