

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0983-05
Bill No.: Truly Agreed To and Finally Passed HCS for SS for SB 242
Subject: Courts; Surety Bonds
Type: Original
Date: May 16, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General, Office of Administration – Administrative Hearing Commission, – Division of Accounting, – Division of Budget and Planning, Department of Economic Development, Department of Revenue, and the State Treasurer’s Office** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposed legislation could have a fiscal impact on small businesses.

DESCRIPTION

The proposed legislation would limit the total appeal bond or equivalent surety of all appellants to fifty million dollars, regardless of the value of the judgment in civil litigation as to any claim relating to tobacco products involving a signatory, a successor of a signatory, or an affiliate of a signatory to the master settlement agreement, in order to secure and protect the monies to be received as a result of the master settlement agreement. A court, if good cause is shown, could set the bond on appeal in an amount lower than that established by law. If the bond has been reduced, the appellant would be required to provide statements of assets and liabilities and agree not to dissipate or divert assets for the purpose of avoiding ultimate payment of the judgment.

If the party bringing the appeal is shown to be purposefully dissipating or diverting assets outside the ordinary course of business for purposes of avoiding ultimate payment of the judgment, then the \$50 million limit could be rescinded and the court could enter orders to prevent such dissipation or diversion of the assets.

This proposal would apply to all cases pending on or after the effective date of this act.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Office of Administration
– Administrative Hearing Commission
– Division of Accounting
– Division of Budget and Planning
Office of State Courts Administrator
Department of Economic Development
Department of Revenue
State Treasurer's Office



Mickey Wilson, CPA
Director
May 16, 2003