

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2005-01
Bill No.: SB 516
Subject: Civil Procedure; Liability; Courts; Bonds - Surety; Business and Commerce
Type: Original
Date: March 16, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** and the **Department of Economic Development** assume no fiscal impact to their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would allow a waiver of a portion of appeal bonds for certain defendants.

1. If a plaintiff in a civil action obtains a judgment for punitive or exemplary damages, any state supersedeas bond requirements shall be waived as that portion of the punitive or exemplary damages that exceeds one million dollars.
2. If the party seeking the appeal is a small business organized and doing business under the laws of this state, any state supersedeas bond requirements shall be waived as to that portion of the punitive or exemplary damages that exceeds one hundred thousand dollars.
3. If the plaintiff proves by a preponderance of the evidence that any appellant for whom the bond requirement has been waived is purposefully dissipating or diverting assets outside the jurisdiction of the United States courts, the waiver shall be rescinded and the bond requirement shall be reinstated for the full amount of the judgment.
4. A court may otherwise waive the filing of a supersedeas bond as to punitive or exemplary damages in a civil action for good cause shown.

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 State Courts Administrator
Department of Economic Development

NOT RESPONDING

Office of the Attorney General



Jeanne Jarrett, CPA
Director
March 16, 2001