

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3036-01
Bill No.: SB 777
Subject: Civil Procedure; Liability; Courts; Surety Bonds; Business and Commerce
Type: Original
Date: January 7, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** and the **Office of Attorney General** 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 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<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 supercedes bond requirements would be waived as to 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 supercedeas bond requirements would 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

DESCRIPTION (continued)

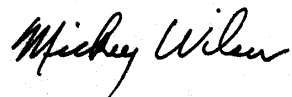
the jurisdiction of the United States courts, the waiver would be rescinded and the bond requirement would be reinstated for the full amount of the judgment; and

4. A court could otherwise waive the filing of a supercedes 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

Department of Economic Development
Office of State Courts Administrator
Office of Attorney General



Mickey Wilson, CPA
Acting Director
January 7, 2002