

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

**Act 1380 of the Regular Session**

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

*As Engrossed: H3/21/05*

**A Bill**

SENATE BILL 937

5 By: Senator Luker  
6  
7

**For An Act To Be Entitled**

9 AN ACT TO PRESERVE THE MASTER SETTLEMENT  
10 AGREEMENT FUNDS BY LIMITING APPEAL BONDS;  
11 AND FOR OTHER PURPOSES.  
12

**Subtitle**

13 AN ACT TO PRESERVE THE MASTER SETTLEMENT  
14 AGREEMENT FUNDS BY LIMITING APPEAL  
15 BONDS.  
16  
17  
18

19 WHEREAS, over the past three years, Arkansas has received two-hundred-  
20 forty million dollars (\$240,000,000) from the tobacco Master Settlement  
21 Agreement (MSA); and  
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23 WHEREAS, the State of Arkansas will receive a total of one billion six  
24 hundred twenty million dollars (\$1,620,000,000) from the MSA over twenty-five  
25 (25) years; and  
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27 WHEREAS, the MSA funds are used to fund important state programs, such  
28 as tobacco-use prevention, Medicaid expansion, prescription drug benefits,  
29 and hospital and medical services; and  
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31 WHEREAS, the continued receipt of MSA funds is vital to the state's  
32 ability to finance these programs; and  
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34 WHEREAS, the state has an important interest in ensuring that tobacco  
35 companies that have signed the MSA can appeal massive judgments against them



1 by posting a bond under state law, rather than being forced into bankruptcy,  
2 which would disrupt their ability to make payments under the MSA; and

3  
4 WHEREAS, a limit on the bond required to stay the execution of a  
5 judgment pending appeal would guarantee that no tobacco company is forced  
6 into bankruptcy in order to appeal a judgment against it, thus preserving the  
7 state's continued receipt of MSA funds,

8  
9 NOW THEREFORE,

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

11  
12 SECTION 1. Arkansas Code § 16-55-214, concerning maximum appeal bonds  
13 in civil litigation, is amended to add an additional subsection to read as  
14 follows:

15 (c) Notwithstanding the provisions of § 16-55-220, the maximum appeal  
16 bond for any cause of action brought under any legal theory shall be limited  
17 to twenty-five million dollars (\$25,000,000), regardless of the amount of the  
18 judgment or the date the cause of action accrued, subject to the provisions  
19 of § 16-55-214(b).

20  
21 /s/ Luker

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24 APPROVED: 3/30/2005

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