

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.

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
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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.
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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
36 by posting a bond under state law, rather than being forced into bankruptcy,



1 which would disrupt their ability to make payments under the MSA; and

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

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8 NOW THEREFORE,

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

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

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

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20 /s/ Luker
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