

TOBACCO SETTLEMENT ACT - LIMITS ON SUPERSEDEAS BOND REQUIREMENTS

Act of Dec. 30, 2003, P.L. 383, No. 55

Cl. 35

Session of 2003

No. 2003-55

HB 1718

AN ACT

Amending the act of June 26, 2001 (P.L.755, No.77), entitled "An act establishing a special fund and account for money received by the Commonwealth from the Master Settlement Agreement with tobacco manufacturers; providing for home and community-based care, for tobacco use prevention and cessation efforts, for Commonwealth universal research enhancement, for hospital uncompensated care, for health investment insurance, for medical assistance for workers with disabilities, for regional biotechnology research centers, for the HealthLink Program, for community-based health care assistance programs, for PACE reinstatement and PACENET expansion, for medical education loan assistance and for percentage allocation and appropriation of moneys," imposing limitations on supersedeas bond requirements.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The act of June 26, 2001 (P.L.755, No.77), known as the Tobacco Settlement Act, is amended by adding a section to read:

Section 309. Limits on supersedeas bond requirements.

(a) **General rule.--Except as otherwise provided in subsection (b), in civil litigation under any legal theory involving a signatory, a successor of a signatory or an affiliate of a signatory to the Master Settlement Agreement, the supersedeas bond to be furnished during the pendency of all appeals or discretionary reviews of any judgment granting legal, equitable or any other form of relief in order to stay the execution thereon during the entire course of any appellate reviews shall be set in accordance with applicable laws or court rules, provided that the total supersedeas bond that is required of all appellants collectively shall not exceed \$100,000,000, regardless of the value of the judgment.**

(b) **Exception.--Notwithstanding subsection (a), if an appellee proves by a preponderance of the evidence that an appellant is dissipating assets outside the ordinary course of business to avoid payment of a judgment, the court may enter an order that:**

(1) **Is necessary to protect the appellee.**

(2) **Requires the appellant to post a supersedeas bond in an amount up to the total amount of the judgment.**

Section 2. This act shall apply to any action pending on the effective date of this act.

Section 3. This act shall take effect immediately.

APPROVED--The 30th day of December, A. D. 2003.

EDWARD G. RENDELL