

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5151 (Substitute H-3 as reported without amendment)
Sponsor: Representative Andrew Richner
House Committee: Civil Law and the Judiciary
Senate Committee: Judiciary

CONTENT

The bill would amend the Revised Judicature Act (RJA) to provide that the amount of a bond issued to stay execution of a judgment while an appeal was pending would have to be determined according to the applicable Michigan Court Rules and statutory provisions.

The bill also specifies that such a bond could not exceed \$25 million regardless of the amount of the judgment. That maximum amount would have to be adjusted on January 1 following the fifth year after the bill's effective date, and on January 1 every five years after that, by an amount determined by the State Treasurer to reflect the annual aggregate percentage change in the Detroit consumer price index since the previous adjustment.

If an appellee proved by a preponderance of the evidence that a party for whom the bond to stay execution had been limited was purposefully dissipating or diverting assets outside of the ordinary course of business for the purpose of avoiding ultimate payment of the judgment, the court would have to rescind the limitation on the bond.

The bill would take effect on January 1, 2003, and apply to appeals filed on or after that date.

Proposed MCL 600.2607

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 4-24-02

Fiscal Analyst: Bill Bowerman