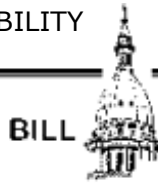




Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 591 (Substitute S-3 as reported)  
Sponsor: Senator Wayne Kuipers  
Committee: Judiciary

**CONTENT**

The bill would add Chapter 30 (Limitation of Successor Asbestos-Related Liability) to the Revised Judicature Act to establish limits on the asbestos-related liability of a corporation that assumed or incurred the liability as a result of a merger or consolidation with another corporation, in the case of a corporation that became a successor before January 1, 1972, or that was a successor to such a corporation. The bill would do all of the following:

- Limit the successor corporation's cumulative asbestos-related liability to the fair market value of the transferring corporation's total gross assets determined at the time of the merger or consolidation and adjusted under the bill.
- Describe how fair market value of total gross assets would be established and adjusted.
- Exclude from the limitations a workers' compensation claim, a claim against a corporation that was not a successor asbestos-related liability, or an obligation under the National Labor Relations Act or under a collective bargaining agreement.
- Require Michigan courts to apply liberally the liability limitations in actions that included successor asbestos-related liability, and retroactively apply procedural provisions of Chapter 30 unless that application would unconstitutionally affect a vested right.
- Specify that Chapter 30 would apply to asbestos claims in actions filed on or after the bill's effective date, and in actions pending but whose trial had not yet begun as of that date.

Proposed MCL 600.3001-600.3008

Legislative Analyst: Patrick Affholter

**FISCAL IMPACT**

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

Date Completed: 11-7-07

Fiscal Analyst: Stephanie Yu