



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4601 (as reported by the Committee of the Whole)
Sponsor: Representative Joe Haveman
House Committee: Judiciary
Senate Committee: Reforms, Restructuring and Reinventing

CONTENT

The bill would add Section 3001 to the Revised Judicature Act to establish a limitation on "successor asbestos-related liability", which would be liability that was related to an asbestos claim and that was assumed or incurred by a corporation as a result of or in connection with a merger or consolidation with or into another corporation, or related to an asbestos claim based on the exercise of control or the ownership of stock of the other corporation before the merger or corporation. The limitation on liability would apply to a corporation that became a successor before January 1, 1972, or that was a successor to such a corporation.

The bill would do 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, subject to an increase for each subsequent year as provided in the bill.
- Exclude from the limitation 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.
- Provide that the limitation would not apply to a successor that continued in the asbestos business after the merger or consolidation.
- Require Michigan courts to liberally apply the liability limitation in actions that included successor asbestos-related liability, and retroactively apply procedural provisions of Section 3001 unless that application would unconstitutionally affect a vested right.
- Specify that Section 3001 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

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Date Completed: 3-28-12

Fiscal Analyst: Dan O'Connor