

ASSEMBLY BILL NO. 486—COMMITTEE ON JUDICIARY

MARCH 28, 2005

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions governing provision of bond in certain civil actions concerning manufacturers of tobacco products. (BDR 2-1375)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to civil litigation; making various changes to the provisions governing the provision of a bond in certain civil actions concerning manufacturers of tobacco products; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 20.035 is hereby amended to read as follows:
2 20.035 1. Except as otherwise provided in subsection 2, if an
3 appeal is taken of a judgment in a civil action ***involving a signatory,***
4 ***or a successor in interest or affiliate of a signatory, of the Master***
5 ***Settlement Agreement*** in which an appellant ~~{described—in~~
6 ~~subsection 3}~~ is required to give a bond in order to secure a stay of
7 execution of the judgment during the pendency of ~~{the appeal, the~~
8 ~~amount of the bond}~~ ***any or all such appeals, the total cumulative***
9 ***sum of all the bonds required from all the appellants involved in***
10 ***the civil action*** must not exceed \$50,000,000.
11 2. If the plaintiff proves by a preponderance of evidence that
12 ~~{the}~~ ***an*** appellant who posted ~~{the}~~ ***a*** bond pursuant to subsection 1
13 is purposefully dissipating or diverting assets outside of the ordinary
14 course of its business to evade the ultimate payment of the
15 judgment, the court may ~~{enter such orders as are}~~ ***, if it determines***
16 ***that such an order is*** necessary to prevent such dissipation or



1 diversion, ~~[including, without limitation, requiring that a bond be~~
2 ~~posted]~~ **require the appellant to post a bond** in an amount ~~[equal to]~~
3 **that does not exceed** the full amount of the judgment.

4 3. ~~[The provisions of this section apply only to civil litigation~~
5 ~~involving a signatory or a successor in interest of a signatory of the~~
6 ~~Master Settlement Agreement, as the term is defined in~~
7 ~~NRS 370A.070.~~

8 ~~—4.]~~ The provisions of this section do not limit the discretion of
9 a court, for good cause shown, to set the bond on appeal in an
10 amount less than the amount otherwise required by law.

11 **4. For the purposes of this section:**

12 **(a) “Affiliate” has the meaning ascribed to it in**
13 **NRS 370A.030.**

14 **(b) “Master Settlement Agreement” has the meaning ascribed**
15 **to it in NRS 370A.070.**

16 **Sec. 2.** The amendatory provisions of this act apply to all
17 actions pending or filed on or after July 1, 2005.

18 **Sec. 3.** This act becomes effective on July 1, 2005.

