

SENATE BILL NO. 134—SENATOR ROBERSON

FEBRUARY 10, 2015

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to the provision of a bond in certain civil actions. (BDR 2-948)

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; limiting the amount of a bond to secure a stay of execution of certain judgments pending appeal; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 2 of this bill generally requires that the amount of a bond that an appellant is required to pay to secure a stay of execution of certain judgments pending appeal must not exceed the lesser of: (1) \$50,000,000; or (2) the amount of the judgment. Under **section 2**, if the appellant is a small business concern as defined by the federal Small Business Act, the amount of such a bond must not exceed the lesser of: (1) \$1,000,000; or (2) the amount of the judgment. **Sections 3 and 4** of this bill provide that the provisions of this bill become effective upon passage and approval and apply to all actions pending or filed on or after such effective date.

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

Section 1. NRS 17.370 is hereby amended to read as follows:
17.370 1. If the judgment debtor shows the court that an appeal from the foreign judgment is pending or will be taken, or that a stay of execution has been granted, the court shall stay enforcement of the foreign judgment until the appeal is concluded, the time for appeal expires or the stay of execution expires or is vacated, upon proof that the judgment debtor has furnished the security for the satisfaction of the judgment required by the state in which it was rendered.



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2. If the judgment debtor shows the court any ground upon which enforcement of a judgment of any court of this state would be stayed, including, without limitation, a showing that an appeal is pending or will be taken, that a stay has been granted, requested or will be requested, or that the time for taking an appeal has not yet expired, the court shall stay enforcement of the foreign judgment for an appropriate period, upon requiring the same security for satisfaction of the judgment which is required in this state, including, without limitation, security determined pursuant to NRS 20.035, *or section 2 of this act*, if applicable.

Sec. 2. Chapter 20 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Notwithstanding any other provision of law or court rule, and except as otherwise provided in this section and NRS 20.035, if an appeal is taken of a judgment in a civil action in which an appellant is required to give a bond in order to secure a stay of execution of the judgment during the pendency of any or all such appeals, the total cumulative sum of all the bonds required from all the appellants involved in the civil action must not exceed the lesser of \$50,000,000 or the amount of the judgment.

2. If an appellant is a small business concern, the amount of the appellant's bond required pursuant to subsection 1 must not exceed the lesser of \$1,000,000 or the amount of the judgment.

3. If the plaintiff proves by a preponderance of evidence that an appellant who posted a bond pursuant to subsection 1 or 2 is purposefully dissipating or diverting assets outside of the ordinary course of its business to evade the ultimate payment of the judgment, the court may, if the court determines that such an order is necessary to prevent such dissipation or diversion, require the appellant to post a bond in an amount that does not exceed the full amount of the judgment.

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

5. For the purposes of this section, "small business concern" has the meaning ascribed to it in the Small Business Act, 15 U.S.C. §§ 631 et seq., and any regulations adopted pursuant thereto.

Sec. 3. This act applies to all actions pending or filed on or after the effective date of this act.

Sec. 4. This act becomes effective upon passage and approval.

