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ESTABLISH LIMIT ON APPEAL BOND

House Bill 5151

Sponsor: Rep. Andrew Richner

Committee: Civil Law and the Judiciary

Complete to 12-10-01

A SUMMARY OF HOUSE BILL 5151 AS INTRODUCED 10-9-01

The bill would amend Chapter 26 of the Revised Judicature Act, which regulates bonds, to add a new section establishing a limitation on appeal bonds, as follows:

- The amount of a bond issued to stay execution on a judgment while an appeal or discretionary review was pending would be determined according to the applicable Michigan court rules and statutory provisions. The bond could not exceed \$25 million, regardless of the judgment amount.

- If the appellee, or person requesting a discretionary review, proved by a preponderance of the evidence that the party for whom the bond to stay execution had been limited was purposefully dissipating or diverting assets outside of the ordinary course of business to avoid ultimate payment of the judgment, the court would be required to rescind the limitation of \$25 million. The court could enter an order rescinding a limitation, as it considered appropriate, including a requirement that the bond be reinstated for the full amount of the judgment.

MCL 600.2607

Analyst: R. Young

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.