

3852

2013-2014 Regular Sessions

I N S E N A T E

February 22, 2013

Introduced by Sen. DeFRANCISCO -- read twice and ordered printed, and
when printed to be committed to the Committee on Judiciary

AN ACT to amend the civil practice law and rules, in relation to the
undertaking required during the pendency of a stay of enforcement of a
judgment against a participating or non-participating manufacturer
under the master settlement agreement

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. This act shall be known and may be cited as "state and
2 local government master settlement agreement proceeds safeguard act."
3 S 2. Legislative intent. New York state, New York city and county
4 governments throughout the state are the recipients of hundreds of
5 millions of dollars each year under the master settlement agreement. The
6 total of all master settlement payments to these governments over the
7 years has so far exceeded eleven billion dollars. These funds are vital-
8 ly important and any disruption in these payments would put the recipi-
9 ents at financial risk. The legislature hereby finds that it is in the
10 public interest to enact the "state and local government master settle-
11 ment agreement proceeds safeguard act" in order to continue the flow of
12 these funds to the state and local governments which depend on this
13 revenue during the appeal of a judgment against master settlement agree-
14 ment signatories, affiliates, successors and non-participating manufac-
15 turers.
16 S 3. The civil practice law and rules is amended by adding a new
17 section 5519-a to read as follows:
18 S 5519-A. STAY OF ENFORCEMENT FOR MASTER SETTLEMENT AGREEMENT PARTIC-
19 IPATING OR NON-PARTICIPATING MANUFACTURERS OR THEIR SUCCESSORS OR AFFIL-
20 IATES. (A) IN CIVIL LITIGATION UNDER ANY LEGAL THEORY INVOLVING A
21 PARTICIPATING MANUFACTURER OR NON-PARTICIPATING MANUFACTURER, AS THOSE
22 TERMS ARE DEFINED IN THE MASTER SETTLEMENT AGREEMENT, OR ANY OF THEIR
23 SUCCESSORS OR AFFILIATES, THE UNDERTAKING REQUIRED DURING THE PENDENCY

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 OF ALL APPEALS OR DISCRETIONARY REVIEWS BY ANY APPELLATE COURTS IN ORDER
2 TO STAY THE EXECUTION OF ANY JUDGMENT OR ORDER GRANTING LEGAL, EQUITABLE
3 OR OTHER RELIEF DURING THE ENTIRE COURSE OF APPELLATE REVIEW, INCLUDING
4 REVIEW BY THE UNITED STATES SUPREME COURT, SHALL BE SET PURSUANT TO THE
5 APPLICABLE PROVISIONS OF LAW OR COURT RULES; PROVIDED, HOWEVER, THAT THE
6 TOTAL UNDERTAKING REQUIRED OF ALL APPELLANTS COLLECTIVELY SHALL NOT
7 EXCEED TWO HUNDRED FIFTY MILLION DOLLARS, REGARDLESS OF THE VALUE OF THE
8 JUDGMENT APPEALED. THIS LIMITATION SHALL APPLY ONLY IF APPELLANTS FILE
9 AT LEAST THIRTY PERCENT OF THE TOTAL AMOUNT OF THE UNDERTAKING IN THE
10 FORM OF CASH, A LETTER OF CREDIT, A CERTIFICATE OF DEPOSIT, OR OTHER
11 CASH EQUIVALENT WITH THE COURT. THE CASH OR CASH EQUIVALENT SHALL BE
12 DEPOSITED BY THE CLERK OF THE COURT IN THE ACCOUNT OF THE COURT, AND ANY
13 INTEREST EARNED SHALL BE UTILIZED AS PROVIDED BY LAW.

14 (B) NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION (A) OF THIS SECTION,
15 UPON PROOF BY A PREPONDERANCE OF THE EVIDENCE, BY AN APPELLEE, THAT AN
16 APPELLANT IS DISSIPATING ASSETS OUTSIDE THE COURSE OF ORDINARY BUSINESS
17 TO AVOID PAYMENT OF A JUDGMENT, A COURT MAY REQUIRE THE APPELLANT TO
18 POST A BOND IN AN AMOUNT UP TO THE TOTAL AMOUNT OF THE JUDGMENT.

19 (C) AS USED IN THIS SECTION, "MASTER SETTLEMENT AGREEMENT" SHALL HAVE
20 THE SAME MEANING AS SET FORTH IN SUBDIVISION FIVE OF SECTION THIRTEEN
21 HUNDRED NINETY-NINE-00 OF THE PUBLIC HEALTH LAW.

22 S 4. This act shall take effect on the thirtieth day after it shall
23 have become a law, and shall apply to any cause of action pending on or
24 filed on or after such effective date.