

# INTERIM UPDATE



**From February 17, 2017**

## LEGAL & JUDICIAL

### **HB 6011-Relating to Tobacco Settlements**

On Thursday, February 16th, **HB 6011**, relating to Tobacco Settlements, by **Representative Danny Burgess (R-Zephyrhills)** was heard by the **House Civil Justice & Claims Subcommittee** and passed with a vote of 14 yeas to 1 nay. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, spoke in opposition to this bill.**

This bill seeks to repeal Florida Statute 569.23 which puts in place needed bond caps on certain jury awards in the state. These bond caps were put in place to help protect payments due the State of Florida as determined by the *State of Florida v. American Tobacco Company*, Florida Settlement Agreement (FSA). Last year the sum of the payment was \$332mm. If a plaintiff receives a large judgment against a tobacco company and the tobacco company must post a supersedeas bond for the full amount of the judgment, the company may be forced to file bankruptcy. If a tobacco company that has entered into the FSA declares bankruptcy, the state will not be able to collect its money pursuant to the settlement.

HB 6011 will go to its second committee stop in the **House Appropriations Committee.**

**AIF opposes this legislation due to the detrimental ramifications, the legislation could have on certain businesses operating within Florida and its potential impact on payments to the state as outlined in the Florida Settlement Agreement. As well, as the "slippery slope" this could have on other bond caps currently in state statute.**