By: Representative Watson

To: Select Committee on Civil Justice Reform

## HOUSE BILL NO. 19

AN ACT TO AMEND SECTION 11-11-3, MISSISSIPPI CODE OF 1972, TO 1 REVISE VENUE IN CIVIL ACTIONS GENERALLY; TO AMEND SECTION 11-1-62, 2 3 MISSISSIPPI CODE OF 1972, TO PROVIDE PROTECTION FOR PHARMACISTS AND LICENSED PHARMACIES IN DRUG SUITS; TO PROVIDE IMMUNITY FOR PROPERTY OWNERS IN PREMISES LIABILITY ACTIONS; TO AMEND SECTION 4 5 11-1-63, MISSISSIPPI CODE OF 1972, TO CLARIFY THE TERMS "SELLER," "PRESCRIBER," AND "DISPENSER" WITH RESPECT TO LIMITING LIABILITY 6 7 FOR DAMAGES ACTIONS AGAINST CERTAIN PRODUCT SELLERS; TO REQUIRE 8 THAT CERTAIN ACTIONS FOR DAMAGES AND OTHER RELIEF AGAINST FIREARMS 9 10 OR AMMUNITION MANUFACTURERS, DISTRIBUTORS OR SELLERS THEREOF MAY ONLY BE BROUGHT BY THE STATE OR ITS POLITICAL SUBDIVISIONS; TO 11 PROVIDE AN ASSESSMENT FOR FILING FRIVOLOUS CLAIMS; TO PROHIBIT 12 ADVERTISING IN MISSISSIPPI TO SOLICIT PROSPECTIVE CLIENTS BY ATTORNEYS NOT ADMITTED TO PRACTICE IN MISSISSIPPI; TO AMEND 13 14 SECTION 85-5-7, MISSISSIPPI CODE OF 1972, TO REVISE JOINT AND 15 SEVERAL LIABILITY IN CERTAIN CIVIL ACTIONS; TO PROVIDE THAT 16 CERTAIN INFORMATION REGARDING A DEFECTIVE PRODUCT, FINANCIAL 17 FRAUD, UNFAIR INSURANCE CLAIMS PRACTICES OR ENVIRONMENTAL HAZARD 18 SHALL BE PRESUMED TO BE PUBLIC INFORMATION; TO ALLOW SUCH 19 INFORMATION TO BE KEPT CONFIDENTIAL BY COURT ORDER; TO DEFINE 20 CERTAIN TERMS; TO AMEND SECTIONS 75-26-5, 75-26-11 AND 75-26-15, 21 MISSISSIPPI CODE OF 1972, TO CONFORM TO SUCH PROVISION THAT SUCH INFORMATION IS PRESUMED TO BE PUBLIC; TO LIMIT THE LIABILITY OF THE SPONSOR OR ADVERTISER OF AN EVENT IN THE CASE OF A CIVIL 22 23 24 25 ACTION ARISING OUT OF ACTIVITIES OCCURRING ON THE PREMISES OF THE LOCATION WHERE THE EVENT IS HELD OR CONDUCTED, PROVIDED THAT THE 26 SPONSOR OR ADVERTISER DOES NOT EXERCISE CONTROL OVER ANY ASPECT OF THE EVENT OTHER THAN ACTING AS SPONSOR OR ADVERTISER; TO DEFINE 27 28 THE TERMS "SPONSOR" AND "EVENT"; TO PROVIDE THAT THIS LIMITATION OF LIABILITY SHALL NOT EXTEND TO WILLFUL ACTS OR GROSS NEGLIGENCE 29 30 ON THE PART OF A SPONSOR; TO CREATE NEW SECTION 11-7-30, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CIVIL ACTIONS IN CIRCUIT COURT SHALL NOT BE ASSIGNED TO A JUDGE UNTIL AT LEAST ONE 31 32 33 DEFENDANT HAS FILED A RESPONSIVE PLEADING; TO AMEND SECTION 34 11-1-65, MISSISSIPPI CODE OF 1972, TO IMPOSE A LIMITATION ON THE AWARD OF PUNITIVE DAMAGES; TO PROHIBIT RECOVERY OF HEDONIC DAMAGES IN CIVIL ACTIONS; TO AMEND SECTION 11-7-13, MISSISSIPPI CODE OF 35 36 37 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES. 38 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 39 40 SECTION 1. Section 11-11-3, Mississippi Code of 1972, as

amended by House Bill No. 2, Third Extraordinary Session 2002, is 41 amended as follows: 42

11-11-3. (1) Civil actions of which the circuit court has 43 original jurisdiction shall be commenced in the county in which 44 the defendant resides or in the county where the cause of action 45 

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may occur or accrue and, if the defendant is a domestic 46 47 corporation, in the county in which said corporation is domiciled or in the county where the cause of action may occur or accrue, 48 49 except where otherwise provided, and except actions of trespass on 50 land, ejectment and actions for the statutory penalty for cutting and boxing trees and firing woods and actions for the actual value 51 of trees cut which shall be brought in the county where the land 52 or some part thereof is situated. 53

(2) Any action against a licensed physician, osteopath, 54 dentist, nurse, nurse practitioner, physician assistant, 55 56 psychologist, pharmacist, podiatrist, optometrist, chiropractor, institution for the aged or infirm, hospital or licensed pharmacy, 57 58 including any legal entity which may be liable for their acts or omissions, for malpractice, negligence, error, omission, mistake, 59 breach of standard of care or the unauthorized rendering of 60 professional services shall be brought in the county in which the 61 62 alleged act or omission occurred.

63 (3) <u>Any cause of action arising from another state which has</u>
64 <u>no legal nexus to the State of Mississippi may not be brought in a</u>
65 <u>state court.</u>

66 <u>(4)</u> If a civil action is brought in an improper county, such 67 action may be transferred to the proper county pursuant to Section 68 11-11-17.

69 SECTION 2. Section 11-1-62, Mississippi Code of 1972, as 70 codified in House Bill No. 2, Third Extraordinary Session 2002, is 71 amended as follows:

11-1-62. In any civil action alleging damages caused by a
prescription drug that has been approved by the federal Food and
Drug Administration, a physician, optometrist, pharmacist,

75 <u>licensed pharmacy</u>, nurse practitioner or physician assistant may 76 not be sued unless the plaintiff pleads specific facts which, if 77 proven, amount to negligence on the part of the medical provider. 78 It is the intent of this section to immunize innocent medical

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79 providers listed in this section who are not actively negligent 80 from forum-driven lawsuits.

81 SECTION 3. Section 11-1-63, Mississippi Code of 1972, is 82 amended as follows:

83 11-1-63. <u>Notwithstanding the provisions of Section 11-1-62</u>,
84 in any action for damages caused by a product except for
85 commercial damage to the product itself:

86 (a) The manufacturer, or seller, dispenser or
87 prescriber of the product shall not be liable if the claimant does
88 not prove by the preponderance of the evidence that at the time
89 the product left the control of the manufacturer, or seller,
90 dispenser or prescriber:

91 (i) 1. The product was defective because it
92 deviated in a material way from the manufacturer's specifications
93 or from otherwise identical units manufactured to the same
94 manufacturing specifications, or

95 2. The product was defective because it96 failed to contain adequate warnings or instructions, or

97 3. The product was designed in a defective98 manner, or

99 4. The product breached an express warranty 100 or failed to conform to other express factual representations upon 101 which the claimant justifiably relied in electing to use the 102 product; and

103 (ii) The defective condition rendered the product104 unreasonably dangerous to the user or consumer; and

(iii) The defective and unreasonably dangerous condition of the product proximately caused the damages for which recovery is sought.

(b) A product is not defective in design or formulation
if the harm for which the claimant seeks to recover compensatory
damages was caused by an inherent characteristic of the product
which is a generic aspect of the product that cannot be eliminated

H. B. No. 19 023E/HR03/R64.1 PAGE 3 (TB\LH) 112 without substantially compromising the product's usefulness or 113 desirability and which is recognized by the ordinary person with 114 the ordinary knowledge common to the community.

115 (c) (i) In any action alleging that a product is 116 defective because it failed to contain adequate warnings or 117 instructions pursuant to paragraph (a)(i)2 of this section, the manufacturer, or seller, dispenser or prescriber shall not be 118 liable if the claimant does not prove by the preponderance of the 119 evidence that at the time the product left the control of the 120 manufacturer, seller, dispenser or prescriber, the manufacturer or 121 122 seller, dispenser or prescriber knew or in light of reasonably available knowledge should have known about the danger that caused 123 124 the damage for which recovery is sought and that the ordinary user or consumer would not realize its dangerous condition. 125

(ii) An adequate product warning or instruction is 126 one that a reasonably prudent person in the same or similar 127 circumstances would have provided with respect to the danger and 128 129 that communicates sufficient information on the dangers and safe use of the product, taking into account the characteristics of, 130 131 and the ordinary knowledge common to an ordinary consumer who purchases the product; or in the case of a prescription drug, 132 133 medical device or other product that is intended to be used only under the supervision of a physician or other licensed 134 professional person, taking into account the characteristics of, 135 136 and the ordinary knowledge common to, a physician or other licensed professional who prescribes the drug, device or other 137 138 product.

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(d) For purposes of this section:

140(i) "Seller" means any person or entity that sells141products of any kind.

142 (ii) "Prescriber" means any person licensed by the
143 State of Mississippi to prescribe medicine.

H. B. No. 19 023E/HR03/R64.1 PAGE 4 (TB\LH) 144 (iii) "Dispenser" means any person or entity
145 licensed as a pharmacist or pharmacy.

In any action alleging that a product is defective 146 (e) 147 pursuant to paragraph (a) of this section, the manufacturer, 148 seller, dispenser or prescriber shall not be liable if the claimant (i) had knowledge of a condition of the product that was 149 150 inconsistent with his safety; (ii) appreciated the danger in the condition; and (iii) deliberately and voluntarily chose to expose 151 himself to the danger in such a manner to register assent on the 152 continuance of the dangerous condition. 153

154 (f) In any action alleging that a product is defective pursuant to paragraph (a)(i)2 of this section, the manufacturer, 155 156 seller, dispenser or prescriber shall not be liable if the danger 157 posed by the product is known or is open and obvious to the user or consumer of the product, or should have been known or open and 158 obvious to the user or consumer of the product, taking into 159 account the characteristics of, and the ordinary knowledge common 160 161 to, the persons who ordinarily use or consume the product.

(g) In any action alleging that a product is defective because of its design pursuant to paragraph (a)(i)3 of this section, the manufacturer or product seller shall not be liable if the claimant does not prove by the preponderance of the evidence that at the time the product left the control of the manufacturer or seller:

(i) The manufacturer, seller, dispenser or
prescriber knew, or in light of reasonably available knowledge or
in the exercise of reasonable care should have known, about the
danger that caused the damage for which recovery is sought; and

(ii) The product failed to function as expected and there existed a feasible design alternative that would have to a reasonable probability prevented the harm. A feasible design alternative is a design that would have to a reasonable probability prevented the harm without impairing the utility,

H. B. No. 19 023E/HR03/R64.1 PAGE 5 (TB\LH) 177 usefulness, practicality or desirability of the product to users 178 or consumers.

(h) (i) The manufacturer of a product who is found 179 180 liable for a defective product pursuant to paragraph (a) shall 181 indemnify a product seller, dispenser or prescriber for the costs 182 of litigation, any reasonable expenses, reasonable attorney's fees and any damages awarded by the trier of fact unless the seller, 183 dispenser or prescriber exercised substantial control over that 184 185 aspect of the design, testing, manufacture, packaging or labeling of the product that caused the harm for which recovery of damages 186 187 is sought; the seller, dispenser or prescriber altered or modified the product, and the alteration or modification was a substantial 188 189 factor in causing the harm for which recovery of damages is sought; the seller, dispenser or prescriber had actual knowledge 190 of the defective condition of the product at the time he supplied 191 same; or the seller, dispenser or prescriber made an express 192 factual representation about the aspect of the product which 193 194 caused the harm for which recovery of damages is sought.

(ii) Subparagraph (i) shall not apply unless the seller has given prompt notice of the suit to the manufacturer within <u>ninety (90)</u> days of the <u>service</u> of the complaint against the seller. <u>The provision of this subparagraph shall not conflict</u> with the Mississippi Rules of Civil Procedure.

(i) With respect to manufacturers of drugs or medical 200 201 devices, an agent or employee of such manufacturer who directly participates in or authorizes the commission of a tort, shall be 202 203 subject to liability for any individual act of negligence committed by said agent or employee related to said drugs or 204 medical devices within the course and scope of employment. 205 206 (j) It is the intent of this section to immunize innocent medical providers including pharmacists and licensed 207 208 pharmacies who are not actively negligent from forum-driven 209 lawsuits.

H. B. No. 19 023E/HR03/R64.1 PAGE 6 (TB\LH) 210 (k) Nothing in this section shall be construed to 211 eliminate any common law defense to an action for damages caused 212 by a product.

213 SECTION 4. (1)The authority to bring an action against any 214 firearms or ammunition manufacturer, distributor or dealer duly licensed under federal law on behalf of any governmental entity 215 created by or pursuant to an act of the Mississippi Legislature or 216 the Mississippi Constitution of 1890, or any department, agency or 217 218 authority thereof, for damages, abatement, injunctive relief or any other relief or remedy resulting from or relating to the 219 220 lawful design, manufacture, distribution or sale of firearms, firearm components, silencers, ammunition or ammunition components 221 to the public, shall be exclusively reserved to the state. 222 This section shall not prohibit a political subdivision from bringing 223 an action against a firearm or ammunition manufacturer, 224 distributor or dealer for breach of contract or warranty as to 225 firearms or ammunition purchased by the political subdivision, or 226 227 for injuries resulting from a firearm malfunction due to defects

228 in materials or workmanship.

(2) This section shall apply to any action brought on orafter passage of this act.

(3) "Political subdivision" and "governmental entity" shallhave the meanings ascribed in Section 11-46-1.

SECTION 5. No owner, occupant, lessee or managing agent of 233 234 property shall be civilly liable for the criminal acts of a third party, unless such owner, occupant, lessee or managing agent knew 235 236 or, with the exercise of reasonable diligence, should have known 237 of the risk of criminal conduct on or around such property and the failure to take reasonable measures to deter such foreseeable 238 conduct is a proximate cause of damages to an individual or 239 240 entity.

241 **SECTION 6.** If a party files any pleading in a civil action, 242 which in the opinion of the court is frivolous, the court may

H. B. No. 19 023E/HR03/R64.1 PAGE 7 (TB\LH) impose an assessment of not more than One Thousand Dollars (\$1,000.00) against each attorney of record for the party filing the pleading. Such assessment shall be in addition to any other assessments, penalties or sanctions authorized by law or otherwise. The proceeds of any assessment imposed under this section shall be paid to the Mississippi Volunteer Lawyers Project, Inc.

250 **SECTION 7.** The Legislature recognizes that attorneys should 251 be licensed by the Mississippi Bar before engaging in any solicitation of clients in this state. Such licensing of 252 253 attorneys protects the people of Mississippi in that the Mississippi Bar has direct jurisdiction over attorneys licensed by 254 255 it. The Bar can act against such licensed attorneys in the event 256 that such licensed attorneys commit violations of Mississippi law, 257 court rules and rules of ethics for attorneys. The Legislature 258 finds that this section is necessary for the protection of the people of Mississippi. An attorney who is not admitted to the 259 260 Mississippi Bar shall not advertise his legal services in this state for the purpose of soliciting prospective clients for the 261 262 commencing of any civil action in this state, or for the purpose of soliciting clients for any civil action already commenced or 263 264 pending in this state, unless the attorney who is not a member of 265 the Mississippi Bar has associated an attorney who (a) is a member of the Mississippi Bar; and (b) will be associated and actively 266 267 working on substantial aspects in any civil action filed on behalf of a client solicited as a result of the advertisement. 268 A law 269 firm composed of both attorneys who are members of the Mississippi Bar and attorneys who are not members of the Mississippi Bar may 270 advertise in this state if a majority of the members of the firm 271 are members of the Mississippi Bar. For purposes of this section, 272 273 a listing in the residential or business section of the white 274 pages of a telephone book shall not be an advertisement.

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275 **SECTION 8.** Section 85-5-7, Mississippi Code of 1972, as 276 amended by House Bill No. 2, Third Extraordinary Session 2002, is 277 amended as follows:

278 85-5-7. (1) As used in this section "fault" means an act or 279 omission of a person which is a proximate cause of injury or death 280 to another person or persons, damages to property, tangible or 281 intangible, or economic injury, including, but not limited to, 282 negligence, malpractice, strict liability, absolute liability or 283 failure to warn. "Fault" shall not include any tort which results 284 from an act or omission committed with a specific wrongful intent.

(2) Except as may be otherwise provided in subsections (6) and (8) of this section, in any civil action based on fault, the liability for damages caused by two (2) or more persons shall be joint and several only to the extent necessary for the person suffering injury, death or loss to recover fifty percent (50%) of his recoverable damages.

Except as otherwise provided in subsections (2), (6) and 291 (3) 292 (8) of this section, in any civil action based on fault, the liability for damages caused by two (2) or more persons shall be 293 294 several only, and not joint and several and a joint tort-feasor shall be liable only for the amount of damages allocated to him in 295 296 direct proportion to his percentage of fault. In assessing 297 percentages of fault an employer and the employer's employee or a principal and the principal's agent shall be considered as one (1) 298 299 defendant when the liability of such employer or principal has been caused by the wrongful or negligent act or omission of the 300 301 employee or agent.

(4) Any defendant held jointly liable under this section
shall have a right of contribution against fellow joint
tort-feasors. A defendant shall be held responsible for
contribution to other joint tort-feasors only for the percentage
of fault assessed to such defendant.

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307 (5) Nothing in this section shall eliminate or diminish any
 308 defenses or immunities which currently exist, except as expressly
 309 noted herein.

(6) Joint and several liability shall be imposed on all who consciously and deliberately pursue a common plan or design to commit a tortious act, or actively take part in it. Any person held jointly and severally liable under this section shall have a right of contribution from his fellow defendants acting in concert.

316 (7) In actions involving joint tort-feasors, the trier of 317 fact shall determine the percentage of fault for each party 318 alleged to be at fault.

Except as provided in subsection (6) of this section, in 319 (8) any action involving joint tort-feasors, the trier of fact shall 320 determine the percentage of fault for each joint tort-feasor, 321 322 including named parties and absent tort-feasors, without regard to whether the joint tort-feasor is immune from damages. For 323 324 noneconomic damages, a defendant's liability shall be several only. For economic damages, for any defendant whose fault is 325 326 determined to be less than thirty percent (30%), liability shall be several only and for any defendant whose fault is determined to 327 328 be thirty percent (30%) or more, liability shall be joint and 329 several only to the extent necessary for the person suffering injury, death or loss to recover fifty percent (50%) of his 330 331 recoverable damages. Fault allocated under this subsection to an immune tort-feasor or a tort-feasor whose liability is limited by 332 law shall not be reallocated to any other tort-feasor. 333

(9) Nothing in this section shall be construed to create a
 cause of action. Nothing in this section shall be construed, in
 any way, to alter the immunity of any person.

337 <u>Notwithstanding any other provisions of law to the contrary,</u> 338 <u>the doctrine of joint and several liability shall not be limited</u>

339 as to tortious conduct which injures the health or safety of

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# 340 Mississippi residents by manufacture or distribution of a drug or

341 defective or dangerous substance causing injury to Mississippi

342 residents or which constitutes fraud.

343 SECTION 9. (1) Notwithstanding any other provision of law, 344 in an action based upon injury, wrongful death, or financial loss allegedly caused by a defective product, financial fraud, unfair 345 insurance claims practice or environmental hazard, other than any 346 action classified by a court as a mass tort action, information 347 concerning the defective product, financial fraud, unfair 348 insurance claims practice or environmental hazard, which is 349 350 contained in a settlement agreement pertaining to the action and not filed with the court shall be presumed to be public 351 352 information and may not be kept confidential pursuant to agreement of the parties. This information may be kept confidential for a 353 period that the court deems appropriate only pursuant to a court 354 355 order.

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(2) As used in this section:

(a) "Defective product" means a product that may be
defective because of a defect in manufacturing or design or a
failure to adequately warn the consumer of a hazard involved in
the foreseeable use of the product, where the defect may result in
personal injury to one or more persons.

362 (b) "Financial fraud" means any fraudulent insurance 363 practice or any fraudulent plan or scheme to sell a publicly 364 offered investment product without full disclosure of the risks 365 associated with the purchase if the product, where the plan or 366 scheme may cause or has caused financial loss.

367 (c) "Environmental hazard" means a release or 368 threatened release of a hazardous substance that poses a threat to 369 public health or safety involving present or future danger of 370 death, bodily injury or health disability to human beings exposed 371 to a hazardous substance release or threatened release.

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372 **SECTION 10.** Section 75-26-5, Mississippi Code of 1972, is 373 amended as follows:

374 75-26-5. (1) Except as provided in Section 9 of Senate Bill
375 No. 2016, Third Extraordinary Session 2002, actual or threatened
376 misappropriation may be enjoined. Upon application to the court,
377 an injunction shall be terminated when the trade secret has ceased
378 to exist, but the injunction may be continued for an additional
379 reasonable period of time in order to eliminate commercial
380 advantage that otherwise would be derived from the

381 misappropriation.

(2) In exceptional circumstances, an injunction may
condition future use upon payment of a reasonable royalty for no
longer than the period of time for which use could have been
prohibited. Exceptional circumstances include, but are not
limited to, a material and prejudicial change of position prior to
acquiring knowledge or reason to know of misappropriation that
renders a prohibitive injunction inequitable.

389 (3) In appropriate circumstances, affirmative acts to390 protect a trade secret may be compelled by court order.

391 SECTION 11. Section 75-26-11, Mississippi Code of 1972, is
392 amended as follows:

393 75-26-11. Except as provided in Section 9 of Senate Bill No. 2016, Third Extraordinary Session 2002, in an action 394 under this chapter, a court shall preserve the secrecy of an 395 396 alleged trade secret by reasonable means, which may include granting protective orders in connection with discovery 397 398 proceedings, holding in-camera hearings, sealing the records of the action and ordering any person involved in the litigation not 399 to disclose an alleged trade secret without prior court approval. 400 SECTION 12. Section 75-26-15, Mississippi Code of 1972, is 401 402 amended as follows:

403 75-26-15. (1) Except as provided in subsection (2), this
404 chapter displaces conflicting tort, restitutionary and other law

H. B. No. 19 023E/HR03/R64.1 PAGE 12 (TB\LH) 405 of this state providing civil remedies for misappropriation of a 406 trade secret.

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(2) This chapter does not affect:

408 (a) Contractual remedies, whether or not based upon409 misappropriation of a trade secret;

410 (b) Other civil remedies that are not based upon411 misappropriation of a trade secret; or

412 (c) Criminal remedies, whether or not based upon
413 misappropriation of a trade secret;

414 (d) The provisions of Section 9 of Senate Bill No.
415 2016, Third Extraordinary Session 2002.

416 <u>SECTION 13.</u> For purposes of Sections 13 and 14 of this act, 417 the following words and phrases shall have the meanings ascribed 418 in this section unless the context clearly indicates otherwise:

(a) "Sponsor or advertiser" means any person,
corporation or legal entity which, solely for charitable purposes,
(i) sells, rents, manufactures or provides products, equipment or
promotional materials, or (ii) donates or contributes money or
fees, in order that an event may be held or conducted.

(b) "Event" means a concert, benefit, fund-raiser,
auction or other occasion at which entertainment, food and
beverages are provided to persons.

427 <u>SECTION 14.</u> (1) Any sponsor or advertiser of an event, 428 which does not exercise control over any aspect of the event other 429 than acting as a sponsor or advertiser, shall be immune from 430 liability for any civil action arising out of activities occurring 431 on the premises of the location where the event is held or 432 conducted.

(2) No sponsor or advertiser shall be liable to a person who
may lawfully consume any intoxicating beverage for any injury
suffered by such person, or by any other person, off the premises
of the event, including wrongful death and property damage,
because of the intoxication of the person to whom the intoxicating

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438 beverages were served or furnished when on the premises of the 439 event.

(3) This section shall not extend immunity to willful acts or gross negligence on the part of a sponsor or advertiser; however, the sponsor or advertiser shall not be considered to be a part of a joint venture or the principal of an agent, with regard to any other person, corporation or legal entity which is participating in the event in any capacity other than that of sponsor or advertiser.

447 **SECTION 15.** The following shall be codified as Section 448 11-7-30, Mississippi Code of 1972:

449 <u>11-7-30.</u> Civil actions in circuit court shall not be 450 assigned to a judge until at least one (1) defendant has filed a 451 responsive pleading.

452 **SECTION 16.** Section 11-1-65, Mississippi Code of 1972, is 453 amended as follows:

454 11-1-65. (1) In any action in which punitive damages are 455 sought:

(a) Punitive damages may not be awarded if the claimant
does not prove by clear and convincing evidence that the defendant
against whom punitive damages are sought acted with actual malice,
gross negligence which evidences a willful, wanton or reckless
disregard for the safety of others, or committed actual fraud.

(b) In any action in which the claimant seeks an award
of punitive damages, the trier of fact shall first determine
whether compensatory damages are to be awarded and in what amount,
before addressing any issues related to punitive damages.

(c) If, but only if, an award of compensatory damages
has been made against a party, the court shall promptly commence
an evidentiary hearing before the same trier of fact to determine
whether punitive damages may be considered.

(d) The court shall determine whether the issue ofpunitive damages may be submitted to the trier of fact; and, if

H. B. No. 19 023E/HR03/R64.1 PAGE 14 (TB\LH) 471 so, the trier of fact shall determine whether to award punitive 472 damages and in what amount.

In all cases involving an award of punitive 473 (e) 474 damages, the fact finder, in determining the amount of punitive 475 damages, shall consider, to the extent relevant, the following: the defendant's financial condition and net worth; the nature and 476 reprehensibility of the defendant's wrongdoing, for example, the 477 impact of the defendant's conduct on the plaintiff, or the 478 relationship of the defendant to the plaintiff; the defendant's 479 awareness of the amount of harm being caused and the defendant's 480 481 motivation in causing such harm; the duration of the defendant's misconduct and whether the defendant attempted to conceal such 482 483 misconduct; and any other circumstances shown by the evidence that bear on determining a proper amount of punitive damages. The 484 485 trier of fact shall be instructed that the primary purpose of punitive damages is to punish the wrongdoer and deter similar 486 misconduct in the future by the defendant and others while the 487 488 purpose of compensatory damages is to make the plaintiff whole. (f) Before entering judgment for an award of 489 (i)

490 punitive damages the trial court shall ascertain that the award is 491 reasonable in its amount and rationally related to the purpose to 492 punish what occurred giving rise to the award and to deter its 493 repetition by the defendant and others.

494 (ii) In determining whether the award is
495 excessive, the court shall take into consideration the following
496 factors:

497 1. Whether there is a reasonable relationship 498 between the punitive damage award and the harm likely to result 499 from the defendant's conduct as well as the harm that actually 500 occurred;

501 2. The degree of reprehensibility of the 502 defendant's conduct, the duration of that conduct, the defendant's

H. B. No. 19 023E/HR03/R64.1 PAGE 15 (TB\LH) awareness, any concealment, and the existence and frequency of similar past conduct;

5053. The financial condition and net worth of506the defendant; and

507 4. In mitigation, the imposition of criminal sanctions on the defendant for its conduct and the existence of 508 509 other civil awards against the defendant for the same conduct. The seller of a product other than the manufacturer 510 (2) 511 shall not be liable for punitive damages unless the seller exercised substantial control over that aspect of the design, 512 513 testing, manufacture, packaging or labeling of the product that caused the harm for which recovery of damages is sought; the 514 515 seller altered or modified the product, and the alteration or modification was a substantial factor in causing the harm for 516 which recovery of damages is sought; the seller had actual 517 518 knowledge of the defective condition of the product at the time he supplied same; or the seller made an express factual 519 520 representation about the aspect of the product which caused the harm for which recovery of damages is sought. 521

522 (3) In a civil action against a business where an entitlement to punitive damages shall have been established under 523 524 applicable laws, no award of punitive damages shall exceed four 525 percent (4%) of the net worth of the business, as such amount shall be determined in accordance with Generally Accepted 526 527 Accounting Principles, unless the finder of fact and court find by clear and convincing evidence that the defendant acted with 528 529 criminal intent to cause serious physical bodily injury. This restriction shall not be disclosed to the trier of fact, but shall 530 be applied by the court to any punitive damages verdict. 531 The limitations in damages to civil actions seeking punitive damages 532 as provided for in this subsection shall not apply to civil 533 534 actions seeking punitive damages for breach of fiduciary duty or for action against businesses while engaged in core business 535 

H. B. No. 19 023E/HR03/R64.1 PAGE 16 (TB\LH) 536 activities of money management, providing legal or accounting

537 services, stock or bond brokerage, management of retirement

538 accounts or for those engaged in conduct constituting a crime or

539 for those engaged in conduct which constitutes abuse, exploitation

540 or willful neglect of a vulnerable adult, as those terms are

541 defined in the Mississippi Vulnerable Adult Act.

542 (4) Nothing herein shall be construed as creating a right to 543 an award of punitive damages or to limit the duty of the court, or 544 the appellate courts, to scrutinize all punitive damage awards, 545 ensure that all punitive damage awards comply with applicable 546 procedural, evidentiary and constitutional requirements, and to 547 order additur or remittitur where appropriate.

548 (5) Subsections (1) and (2) of Section 11-1-65 shall not 549 apply to:

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0 (a) Contracts;

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(b) Libel and slander; or

(c) Causes of action for persons and property arisingout of asbestos.

**SECTION 17.** (1) In any civil action there may be a recovery 554 555 for pain and suffering and loss of enjoyment of life. However, 556 there shall be no recovery for loss of enjoyment of life as a 557 separate element of damages apart from pain and suffering damages, and there shall be no instruction given to the jury which 558 separates loss of enjoyment of life from pain and suffering. 559 The 560 determination of the existence and extent of recovery for pain and suffering and loss of enjoyment of life shall be a question for 561 the finder of fact, subject to appellate review, and shall not be 562 made the subject of expert testimony. 563

564 (2) In any wrongful death action, there shall be no recovery 565 for loss of enjoyment of life caused by death.

566 **SECTION 18.** Section 11-7-13, Mississippi Code of 1972, is 567 amended as follows:

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11-7-13. Whenever the death of any person shall be caused by 568 569 any real, wrongful or negligent act or omission, or by such unsafe machinery, way or appliances as would, if death had not ensued, 570 571 have entitled the party injured or damaged thereby to maintain an 572 action and recover damages in respect thereof, or whenever the death of any person shall be caused by the breach of any warranty, 573 express or implied, of the purity or fitness of any foods, drugs, 574 575 medicines, beverages, tobacco or any and all other articles or commodities intended for human consumption, as would, had the 576 death not ensued, have entitled the person injured or made ill or 577 578 damaged thereby, to maintain an action and recover damages in respect thereof, and such deceased person shall have left a widow 579 or children or both, or husband or father or mother, or sister, or 580 581 brother, the person or corporation, or both that would have been liable if death had not ensued, and the representatives of such 582 583 person shall be liable for damages, notwithstanding the death, and the fact that death was instantaneous shall in no case affect the 584 585 right of recovery. The action for such damages may be brought in the name of the personal representative of the deceased person for 586 587 the benefit of all persons entitled under the law to recover, or by widow for the death of her husband, or by the husband for the 588 589 death of the wife, or by the parent for the death of a child, or in the name of a child, or in the name of a child for the death of 590 a parent, or by a brother for the death of a sister, or by a 591 592 sister for the death of a brother, or by a sister for the death of a sister, or a brother for the death of a brother, or all parties 593 594 interested may join in the suit, and there shall be but one (1) 595 suit for the same death which shall ensue for the benefit of all parties concerned, but the determination of such suit shall not 596 597 bar another action unless it be decided on its merits. Except as otherwise provided in Section 17 of this act, in such action the 598 599 party or parties suing shall recover such damages allowable by law 600 as the jury may determine to be just, taking into consideration

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This section shall apply to all personal injuries of servants and employees received in the service or business of the master or employer, where such injuries result in death, and to all deaths caused by breach of warranty, either express or implied, of the purity and fitness of foods, drugs, medicines, beverages, tobacco or other articles or commodities intended for human consumption.

Any person entitled to bring a wrongful death action may assert or maintain a claim for any breach of expressed warranty or for any breach of implied warranty. A wrongful death action may be maintained or asserted for strict liability in tort or for any cause of action known to the law for which any person, corporation, legal representative or entity would be liable for damages if death had not ensued.

In an action brought pursuant to the provisions of this 616 section by the widow, husband, child, father, mother, sister or 617 618 brother of the deceased, or by all interested parties, such party or parties may recover as damages property damages and funeral, 619 620 medical or other related expenses incurred by or for the deceased as a result of such wrongful or negligent act or omission or 621 622 breach of warranty, whether an estate has been opened or not. Any 623 amount, but only such an amount, as may be recovered for property damage, funeral, medical or other related expenses shall be 624 625 subject only to the payment of the debts or liabilities of the deceased for property damages, funeral, medical or other related 626 expenses. All other damages recovered under the provisions of 627 this section shall not be subject to the payment of the debts or 628 liabilities of the deceased, except as hereinafter provided, and 629 such damages shall be distributed as follows: 630

Damages for the injury and death of a married man shall be equally distributed to his wife and children, and if he has no children all shall go to his wife; damages for the injury and

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death of a married woman shall be equally distributed to the 634 husband and children, and if she has no children all shall go to 635 the husband; and if the deceased has no husband or wife, the 636 637 damages shall be equally distributed to the children; if the 638 deceased has no husband, nor wife, nor children, the damages shall 639 be distributed equally to the father, mother, brothers and 640 sisters, or such of them as the deceased may have living at his or 641 her death. If the deceased have neither husband, nor wife, nor 642 children, nor father, nor mother, nor sister, nor brother, then the damages shall go to the legal representative, subject to debts 643 644 and general distribution, and the fact that the deceased was instantly killed shall not affect the right of the legal 645 representative to recover. All references in this section to 646 647 children shall include descendants of a deceased child, such descendants to take the share of the deceased child by 648 representation. There shall not be, in any case, a distinction 649 between the kindred of the whole and half blood of equal degree. 650 651 The provisions of this section shall apply to illegitimate children on account of the death of the mother and to the mother 652 653 on account of the death of an illegitimate child or children, and 654 they shall have all the benefits, rights and remedies conferred by 655 this section on legitimates. The provisions of this section shall apply to illegitimate children on account of the death of the 656 natural father and to the natural father on account of the death 657 658 of the illegitimate child or children, and they shall have all the benefits, rights and remedies conferred by this section on 659 660 legitimates, if the survivor has or establishes the right to inherit from the deceased under Section 91-1-15. 661

Any rights which a blood parent or parents may have under this section are hereby conferred upon and vested in an adopting parent or adopting parents surviving their deceased adopted child, just as if the child were theirs by the full blood and had been born to the adopting parents in lawful wedlock.

H. B. No. 19 023E/HR03/R64.1 PAGE 20 (TB\LH) 667 **SECTION 19.** If any provision of this act is held by a court 668 to be invalid, such invalidity shall not affect the remaining 669 provisions of this act, and to this end the provisions of this act 670 are declared severable.

671 SECTION 20. The provisions of Section 16 of this act shall 672 take effect and be in force from and after January 1, 2003, and 673 shall apply only to causes of action occurring on or after that 674 date. The provisions of all other sections of this act shall take 675 effect and be in force from and after passage of this act, and 676 shall apply only to causes of action occurring on or after that 677 date.