To: Judiciary A

By: Representatives Smith (39th), Akins, Aldridge, Arinder, Baker (74th), Baker (8th), Beckett, Bentz, Bondurant, Bounds, Capps, Carlton, Chism, Davis, Denny, Ellington, Fillingane, Formby, Frierson, Guice, Gunn, Hamilton (109th), Hamilton (6th), Howell, Hudson, Ishee, Janus, Jennings, Lott, Markham, Martinson, Masterson, Mayhall, McBride, Mims, Moody, Moore, Nicholson, Patterson, Read, Reed, Reeves, Robinson (84th), Rogers (14th), Rogers (61st), Rotenberry, Shows, Simpson, Smith (59th), Snowden, Staples, Stevens, Turner, Upshaw, Vince, Weathersby, Wells-Smith, Woods, Zuber

HOUSE BILL NO. 1579

AN ACT TO AMEND SECTION 11-11-3, MISSISSIPPI CODE OF 1972, TO 1 REVISE VENUE IN GENERAL CIVIL ACTIONS; TO AMEND SECTION 11-1-60, 2 3 MISSISSIPPI CODE OF 1972, TO PROVIDE LIMITATIONS ON NONECONOMIC DAMAGES IN ALL CIVIL ACTIONS; TO AMEND SECTION 11-1-63, 4 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A PRODUCT SELLER OTHER THAN A MANUFACTURER SHALL NOT BE LIABLE FOR A LATENT DEFECT IF THE 5 6 7 SELLER IS A MERE CONDUIT WHO PURCHASED THE PRODUCT FROM A 8 REPUTABLE MANUFACTURER; TO AMEND SECTION 11-1-65, MISSISSIPPI CODE OF 1972, TO PROHIBIT MULTIPLE PUNITIVE DAMAGE AWARDS FOR THE SAME 9 10 CONDUCT OF A DEFENDANT EXCEPT IN CERTAIN CASES, AND TO PROHIBIT PUNITIVE DAMAGES AGAINST A DEFENDANT FOR ANY REGULATED ACTIVITY 11 12 CONDUCTED IN COMPLIANCE WITH FEDERAL AND STATE REGULATIONS; TO AMEND SECTION 11-1-66, MISSISSIPPI CODE OF 1972, TO REVISE THE 13 IMMUNITY OF PREMISE OWNERS FROM CIVIL LIABILITY; TO AMEND SECTION 14 11-15-1, MISSISSIPPI CODE OF 1972, TO ESTABLISH THE VALIDITY AND 15 ENFORCEABILITY OF AN ARBITRATION AGREEMENT; TO AMEND SECTION 85-5-7, MISSISSIPPI CODE OF 1972, TO REVISE THE LIMITATION OF 16 17 JOINT AND SEVERAL LIABILITY FOR DAMAGES CAUSED BY TWO OR MORE 18 19 PERSONS; TO REPEAL SECTION 11-1-64, MISSISSIPPI CODE OF 1972, 20 WHICH PROVIDES THE PROCEDURE FOR DISMISSING A DEFENDANT WHOSE LIABILITY IS BASED SOLELY ON HIS STATUS AS A SELLER IN THE STREAM 21 OF COMMERCE; AND FOR RELATED PURPOSES. 2.2 23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: SECTION 1. Section 11-11-3, Mississippi Code of 1972, is 24 25 amended as follows: 11-11-3. (1) (a) Venue for civil actions of which the 26 circuit court has original jurisdiction shall be * * * in the 27 county where the first act or omission giving rise to the cause of 28 29 action occurred * * *. 30 (b) In any civil action where more than one (1) 31 plaintiff is joined, each plaintiff shall independently establish proper venue and it is not sufficient that venue is proper for 32 other plaintiffs joined in the civil action. 33 34

- (c) In any civil action where more than one (1)
- 35 defendant is named, venue must be proper as to each and every

36 defendant and it is not sufficient that venue is proper for other 37 defendants joined in the civil action.

38 (d) Where multiple claims or causes of action are 39 combined in one (1) lawsuit, venue must be proper as to each 40 separate claim or cause of action.

41 (e) If the venue is improper as to any claim or cause of action by any plaintiff against any defendant, then the claims 42 involving that plaintiff and defendant that are not in the proper 43 venue shall be severed and transferred to the county where venue 44 is proper as to such claim or cause of action. If there is no 45 46 proper venue for a claim for any reason, including because the 47 first act or omission giving rise to a claim did not occur within a Mississippi county, such claim shall be dismissed without 48 49 prejudice. 50 A nonresident of the state may not bring an action in a (2) court of this state unless all or a substantial part of the acts 51 52 or omissions giving rise to the claim asserted occurred in this 53 state. (3) (a) If a court of this state, on written motion of a 54 55 party, finds that in the interest of justice and for the 56 convenience of the parties and witnesses a claim or action would be more properly heard in a forum outside this state or in a 57 different county within this state, the court shall decline to 58 exercise jurisdiction under the doctrine of forum nonconveniens. 59 60 As to a claim or action that would be more properly heard in a forum outside this state, the court shall dismiss the claim or 61 62 action. As to a claim or action that would be more properly heard 63 in a different county within the state, the venue shall be transferred to the appropriate county. In determining whether to 64 65 grant a motion to dismiss an action or to transfer venue under the 66 doctrine of forum nonconveniens, the court shall give 67 consideration to the following factors:

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(i) Relative ease of access to sources of proof;

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69	(ii) Availability and cost of compulsory process
70	for attendance of unwilling witnesses;
71	(iii) Possibility of viewing of the premises, if
72	viewing would be appropriate to the action;
73	(iv) Unnecessary expense or trouble to the
74	defendant not necessary to the plaintiff's own right to pursue his
75	remedy;
76	(v) Administrative difficulties for the forum
77	<u>courts;</u>
78	(vi) Existence of local interests in deciding the
79	case at home; and
80	(vii) Plaintiff's choice of forum should rarely be
81	disturbed.
82	(b) A court may not dismiss a claim under this
83	subsection until the defendant files with the court or with the
84	clerk of the court a written stipulation that, with respect to a
85	new action on the claim commenced by the plaintiff, the defendant
86	waives the right to assert a statute of limitations defense in all
87	other states of the United States in which the claim was not
88	barred by limitations at the time the claim was filed in this
89	state as necessary to effect a tolling of the limitations periods
90	in those states beginning on the date the claim was filed in this
91	state and ending on the date the claim is dismissed. The court
92	may not dismiss a claim under this subsection until the defendant
93	files with the court or with the clerk of the court a written
94	stipulation that, with respect to a new action on the claim
95	commenced by the plaintiff in another state of the United States,
96	the plaintiff may elect that the plaintiff and the defendant may
97	rely on responses to discovery already provided under the
98	Mississippi Rules of Civil Procedure, plus any additional
99	discovery that may be conducted under the rules of civil procedure
100	in another state, or use responses to discovery already provided

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101 and conduct additional discovery as permitted under the rules of

102 <u>civil procedures in the other state.</u>

103 (c) To comply with paragraph (a) of this subsection in 104 relation to an action that involves both claims that would and 105 would not be more properly heard in a forum outside this state or 106 in a different county within this state, a court shall consider

107 each claim individually and shall sever from the action the claims

108 that are subject to paragraph (a) of this subsection.

109 SECTION 2. Section 11-1-60, Mississippi Code of 1972, is
110 amended as follows:

111 11-1-60. (1) For the purposes of this section, the 112 following words and phrases shall have the meanings ascribed 113 herein unless the context clearly requires otherwise:

"Noneconomic damages" means subjective, 114 (a) nonpecuniary damages arising from death, pain, suffering, 115 inconvenience, mental anguish, worry, emotional distress, loss of 116 society and companionship, loss of consortium, bystander injury, 117 118 physical impairment, disfigurement, injury to reputation, humiliation, embarrassment, * * * other nonpecuniary damages, and 119 120 any other theory of damages such as fear of loss, illness or injury. The term "noneconomic damages" shall not include * * * 121 122 punitive or exemplary damages.

123 (b) "Actual economic damages" means objectively 124 verifiable pecuniary damages arising from medical expenses and 125 medical care, rehabilitation services, custodial care, disabilities, loss of earnings and earning capacity, loss of 126 127 income, burial costs, loss of use of property, costs of repair or replacement of property, costs of obtaining substitute domestic 128 services, loss of employment, loss of business or employment 129 130 opportunities, and other objectively verifiable monetary losses. * * * 131

132 (2) (a) <u>Regardless of the number of parties against whom</u> 133 <u>the action is brought or the number of separate claims or actions</u> H. B. No. 1579 *HR40/R1435* 04/HR40/R1435 PAGE 4 (CJR\BD) 134 brought with respect to the same injury, in any claim for injury 135 the aggregate amount recoverable for noneconomic damages by the plaintiff shall not exceed Two Hundred Fifty Thousand Dollars 136 137 (\$250,000.00) for causes of action filed on or after July 1, 2004. 138 (b) The jury shall not be advised of the limitations 139 imposed by this subsection (2) and the judge shall appropriately 140 reduce any award of noneconomic damages that exceeds the 141 applicable limitation. * * * 142 (3) Nothing in this section shall be construed to impose a 143 144 limitation on * * * actual economic damages. SECTION 3. Section 11-1-63, Mississippi Code of 1972, is 145 146 amended as follows: 147 11-1-63. Subject to the provisions of Section 11-1-64, in any action for damages caused by a product except for commercial 148 damage to the product itself: 149 The manufacturer or seller of the product shall not 150 (a) 151 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 152 153 manufacturer or seller: (i) 1. The product was defective because it 154 155 deviated in a material way from the manufacturer's specifications or from otherwise identical units manufactured to the same 156 157 manufacturing specifications, or 158 The product was defective because it 2. 159 failed to contain adequate warnings or instructions, or 160 3. The product was designed in a defective 161 manner, or The product breached an express warranty 162 4. or failed to conform to other express factual representations upon 163 164 which the claimant justifiably relied in electing to use the 165 product; and

H. B. No. 1579 *HR40/R1435* 04/HR40/R1435 PAGE 5 (CJR\BD) 166 (ii) The defective condition rendered the product 167 unreasonably dangerous to the user or consumer; and

168 (iii) The defective and unreasonably dangerous 169 condition of the product proximately caused the damages for which 170 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 without substantially compromising the product's usefulness or desirability and which is recognized by the ordinary person with the ordinary knowledge common to the community.

178 (c) (i) In any action alleging that a product is defective because it failed to contain adequate warnings or 179 instructions pursuant to paragraph (a)(i)2 of this section, the 180 manufacturer or seller shall not be liable if the claimant does 181 182 not prove by the preponderance of the evidence that at the time 183 the product left the control of the manufacturer or seller, the manufacturer or seller knew or in light of reasonably available 184 185 knowledge should have known about the danger that caused the 186 damage for which recovery is sought and that the ordinary user or 187 consumer would not realize its dangerous condition.

188 (ii) An adequate product warning or instruction is 189 one that a reasonably prudent person in the same or similar 190 circumstances would have provided with respect to the danger and that communicates sufficient information on the dangers and safe 191 192 use of the product, taking into account the characteristics of, 193 and the ordinary knowledge common to an ordinary consumer who purchases the product; or in the case of a prescription drug, 194 195 medical device or other product that is intended to be used only 196 under the supervision of a physician or other licensed 197 professional person, taking into account the characteristics of, 198 and the ordinary knowledge common to, a physician or other *HR40/R1435*

H. B. No. 1579 04/HR40/R1435 PAGE 6 (CJR\BD) 199 licensed professional who prescribes the drug, device or other 200 product.

In any action alleging that a product is defective 201 (d) 202 pursuant to paragraph (a) of this section, the manufacturer or 203 seller shall not be liable if the claimant (i) had knowledge of a condition of the product that was inconsistent with his safety; 204 205 (ii) appreciated the danger in the condition; and (iii) 206 deliberately and voluntarily chose to expose himself to the danger 207 in such a manner to register assent on the continuance of the 208 dangerous condition.

209 In any action alleging that a product is defective (e) 210 pursuant to paragraph (a)(i)2 of this section, the manufacturer or 211 seller shall not be liable if the danger posed by the product is 212 known or is open and obvious to the user or consumer of the 213 product, or should have been known or open and obvious to the user 214 or consumer of the product, taking into account the 215 characteristics of, and the ordinary knowledge common to, the 216 persons who ordinarily use or consume the product.

(f) 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 or seller 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,
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232 usefulness, practicality or desirability of the product to users 233 or consumers.

(g) (i) The manufacturer of a product who is found 234 235 liable for a defective product pursuant to paragraph (a) shall 236 indemnify a product seller for the costs of litigation, any 237 reasonable expenses, reasonable attorney's fees and any damages 238 awarded by the trier of fact unless the seller exercised 239 substantial control over that aspect of the design, testing, 240 manufacture, packaging or labeling of the product that caused the harm for which recovery of damages is sought; the seller altered 241 242 or modified the product, and the alteration or modification was a 243 substantial factor in causing the harm for which recovery of 244 damages is sought; the seller had actual knowledge of the 245 defective condition of the product at the time he supplied same; or the seller made an express factual representation about the 246 247 aspect of the product which caused the harm for which recovery of 248 damages is sought.

(ii) Subparagraph (i) shall not apply unless the
seller has given prompt notice of the suit to the manufacturer
within ninety (90) days of the service of the complaint against
the seller.

253 (h) In any action alleging that a product is defective 254 pursuant to paragraph (a) of this section, a product seller other than a manufacturer shall not be liable for a latent defect if the 255 256 seller is a mere conduit who purchased the product from a reputable manufacturer. It is the intent of this section to 257 258 insulate innocent sellers who are not actively negligent from 259 forum driven lawsuits. A product seller shall not be considered to have failed to exercise reasonable care with respect to a 260 261 product based upon an alleged failure to inspect the product if 262 there was no reasonable opportunity to inspect the product, or if 263 the inspection in the exercise of reasonable care would not have 264 revealed that the product was defective. *HR40/R1435* H. B. No. 1579

04/HR40/R1435 PAGE 8 (CJR\BD) 265 (i) There is a rebuttable presumption that a product is 266 free from any defect or defective condition where the alleged defect in the plans or designs for the product or the methods and 267 268 techniques of manufacturing, inspecting and testing the product 269 were in conformity with government standards established for that industry which were in existence at the time the plans or designs 270 271 for the product or the methods and techniques of manufacturing, inspecting and testing the product were adopted. 272 273 (j) For purposes of this section, the term "product" shall include real estate and the term "seller" shall include real 274 275 estate brokers/licensees. (k) Nothing in this section shall be construed to 276 277 eliminate any common law defense to an action for damages caused 278 by a product. SECTION 4. Section 11-1-65, Mississippi Code of 1972, is 279 280 amended as follows: 11-1-65. (1) For the purposes of this section, 281 282 "compensatory" means the amount of money awarded to a party to 283 compensate the party for his or her actual, economic and 284 noneconomic damages. 285 (2) In any action in which punitive damages are sought: 286 (a) Punitive damages may not be awarded if the claimant 287 does not prove by clear and convincing evidence that the defendant against whom punitive damages are sought acted with actual malice, 288 289 gross negligence which evidences a willful, wanton or reckless 290 disregard for the safety of others, or committed actual fraud. 291 (b) Punitive damages shall not be awarded against a 292 defendant for any activity that is subject to regulation by any governmental entity, if the regulated activity was in compliance 293 294 with applicable regulations of the governmental entity. Punitive damages shall not be awarded against any 295 (C) 296 defendant based upon a product's manufacture, design, formulation, 297 inspection, testing, packaging, inherent danger, labeling or 298 warning which caused the claimant's harm and which complied with: 299 (i) Any federal statute in effect at the time the 300 product was produced; 301 (ii) Any administrative regulation in effect at 302 the time the product was produced that was promulgated by an 303 agency of the federal government which had responsibility to 304 regulate the safety of the product or to establish safety 305 standards for the product pursuant to a federal statute; (iii) Any approval or certification made by an 306 307 agency of the federal government before the product was marketed; 308 (iv) Any state or local statute, ordinance, agency 309 regulation, agency certification applicable to the place where the 310 harm to the plaintiff allegedly occurred. 311 In any action in which the claimant seeks an award (d) of punitive damages, the trier of fact shall first determine 312 313 whether compensatory damages are to be awarded and in what amount, 314 before addressing any issues related to punitive damages. 315 (e) If, but only if, an award of compensatory damages 316 has been made against a party, the court shall promptly commence an evidentiary hearing before the same trier of fact to determine 317 318 whether punitive damages may be considered. 319 (f) The court shall determine whether the issue of 320 punitive damages may be submitted to the trier of fact; and, if 321 so, the trier of fact shall determine whether to award punitive damages and in what amount. Only one (1) award of punitive 322 323 damages may be recovered in this state from a defendant, regardless of the number of claimants who may be harmed by the 324 same or similar repetitive act or omission, except in the case of 325 326 a defendant who, subsequent to the entry of a judgment imposing 327 liability for an act or omission, persists in the same or similar

328 conduct thereby giving rise to additional causes of action.

H. B. No. 1579 *HR40/R1435* 04/HR40/R1435 PAGE 10 (CJR\BD) 329 (g) In all cases involving an award of punitive 330 damages, the fact finder, in determining the amount of punitive damages, shall consider, to the extent relevant, the following: 331 332 * * * the nature and reprehensibility of the defendant's 333 wrongdoing, for example, the impact of the defendant's conduct on 334 the plaintiff, or the relationship of the defendant to the plaintiff; the defendant's awareness of the amount of harm being 335 336 caused and the defendant's motivation in causing such harm; the 337 duration of the defendant's misconduct and whether the defendant attempted to conceal such misconduct; and any other circumstances 338 339 shown by the evidence that bear on determining a proper amount of punitive damages. Financial condition and net worth of the 340 341 defendant shall only be considered in mitigation of any award. 342 The trier of fact shall be instructed that the primary purpose of punitive damages is to punish the wrongdoer and deter similar 343 344 misconduct in the future by the defendant and others while the 345 purpose of compensatory damages is to make the plaintiff whole. 346 (h) (i) Before entering judgment for an award of 347 punitive damages the trial court shall ascertain that the award is 348 reasonable in its amount and rationally related to the purpose to punish what occurred giving rise to the award and to deter its 349 350 repetition by the defendant and others. 351 (ii) In determining whether the award is 352 excessive, the court shall take into consideration the following 353 factors: 354 Whether there is a reasonable relationship 1. 355 between the punitive damage award and the harm likely to result 356 from the defendant's conduct as well as the harm that actually 357 occurred; 358 2. The degree of reprehensibility of the 359 defendant's conduct, the duration of that conduct, the defendant's 360 awareness, any concealment, and the existence and frequency of 361 similar past conduct; *HR40/R1435* H. B. No. 1579 04/HR40/R1435 PAGE 11 (CJR\BD)

362 3. <u>In mitigation</u>, the financial condition and
363 net worth of the defendant; and

In mitigation, the imposition of criminal 364 4. 365 sanctions on the defendant for its conduct and the existence of 366 other civil awards against the defendant for the same conduct. 367 (3) The seller of a product other than the manufacturer 368 shall not be liable for punitive damages unless the seller 369 exercised substantial control over that aspect of the design, 370 testing, manufacture, packaging or labeling of the product that caused the harm for which recovery of damages is sought; the 371 372 seller altered or modified the product, and the alteration or 373 modification was a substantial factor in causing the harm for 374 which recovery of damages is sought; the seller had actual 375 knowledge of the defective condition of the product at the time he 376 supplied same; or the seller made an express factual 377 representation about the aspect of the product which caused the 378 harm for which recovery of damages is sought. 379 (4) (a) In any civil action where an entitlement to 380 punitive damages shall have been established under applicable 381 laws, no award of punitive damages shall exceed three (3) times 382 the compensatory damages awarded to the plaintiff; however, in no 383 event shall an award of punitive damages exceed the following: 384 Ten Million Dollars (\$10,000,000.00) for a (i) defendant with a net worth of more than One Billion Dollars 385 386 (\$1,000,000,000.00); 387 Seven Million Five Hundred Thousand Dollars (ii) 388 (\$7,500,000.00) for a defendant with a net worth of more than 389 Seven Hundred Fifty Million Dollars (\$750,000,000.00) but not more 390 than One Billion Dollars (\$1,000,000,000.00); 391 (iii) Five Million Dollars (\$5,000,000.00) for a

392 defendant with a net worth of more than Five Hundred Million 393 Dollars (\$500,000,000.00) but not more than Seven Hundred Fifty 394 Million Dollars (\$750,000,000.00);

H. B. No. 1579 *HR40/R1435* 04/HR40/R1435 PAGE 12 (CJR\BD) 395 (iv) Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000.00) for a defendant with a net worth of more 396 than One Hundred Million Dollars (\$100,000,000.00) but not more 397 398 than Five Hundred Million Dollars (\$500,000,000.00); 399 (v) Two Million Five Hundred Thousand Dollars 400 (\$2,500,000.00) for a defendant with a net worth of more than 401 Fifty Million Dollars (\$50,000,000.00) but not more than One Hundred Million Dollars (\$100,000,000.00); or 402 403 (vi) Two percent (2%) of the defendant's net worth for a defendant with a net worth of Fifty Million Dollars 404 405 (\$50,000,000.00) or less. 406 (b) For the purposes of determining the defendant's net 407 worth in paragraph (a), the amount of the net worth shall be 408 determined in accordance with Generally Accepted Accounting 409 Principles. 410 (C) The limitation on the amount of punitive damages imposed by this subsection (3) shall not be disclosed to the trier 411 412 of fact, but shall be applied by the court to any punitive damages 413 verdict. 414 (d) The limitation on the amount of punitive damages 415 imposed by this subsection (3) shall not apply to actions brought 416 for damages or an injury resulting from an act or failure to act 417 by the defendant: If the defendant was convicted of a felony 418 (i) 419 under the laws of this state or under federal law which caused the 420 damages or injury; or (ii) While the defendant was under the influence 421 422 of alcohol or under the influence of drugs other than lawfully 423 prescribed drugs administered in accordance with a prescription. 424 An employer or principal shall not be held liable (e) 425 for compensatory and punitive damages for any act or omission 426 committed by an employee or agent acting outside the scope of, or

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427 contrary to, such person's employment or responsibility as an

428 agent or employee.

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

435 * * *

436 SECTION 5. Section 11-1-66, Mississippi Code of 1972, is 437 amended as follows:

11-1-66. (1) No owner, occupant, lessee or managing agent
of property shall be civilly liable for <u>failing to prevent or</u>
<u>failing to deter any act or omission committed by another person</u>
<u>upon such property or premises that is a reckless, wanton,</u>
intentionally wrongful, illegal or criminal act.

443 (2) No owner, occupant, lessee or managing agent of property
444 shall be liable for the death or injury of an independent
445 contractor or his employees resulting from dangers that the
446 contractor knew or reasonably should have known.

447 SECTION 6. Section 11-15-1, Mississippi Code of 1972, is 448 amended as follows:

449 11-15-1. (1) All persons, except infants and persons of 450 unsound mind, may, by instrument of writing, submit to the 451 decision of one or more arbitrators any controversy which may be existing between them, which might be the subject of an action, 452 453 and may, in such submission, agree that the court having 454 jurisdiction of the subject matter shall render judgment on the 455 award made pursuant to such submission. In such case, however, 456 should the parties agree upon a court without jurisdiction of the subject matters of the award, the judgment shall be rendered by 457 458 the court having jurisdiction in the county of the residence of

H. B. No. 1579 *HR40/R1435* 04/HR40/R1435 PAGE 14 (CJR\BD) 459 the party, or some one of them, against whom the award shall be 460 made.

(2) A written agreement to submit any existing controversy 461 462 to arbitration or a provision in a written contract to submit to 463 arbitration any controversy thereafter arising between the parties 464 is valid and enforceable, save upon such grounds as exist at law 465 or in equity for the revocation of any contract and not 466 inconsistent with the provisions of this subsection. Unless 467 otherwise stated in writing in the agreement, arbitration agreements are binding upon successors in interest, heirs at law, 468 469 beneficiaries and wrongful death beneficiaries. This act also 470 applies to arbitration agreements between employers and employees 471 or between their respective representatives, unless otherwise 472 provided in the agreement.

473 **SECTION 7.** Section 85-5-7, Mississippi Code of 1972, is 474 amended as follows:

85-5-7. (1) As used in this section "fault" means an act or 475 476 omission of a person which is a proximate cause of injury or death 477 to another person or persons, damages to property, tangible or 478 intangible, or economic injury, including, but not limited to, 479 negligence, malpractice, strict liability, absolute liability or 480 failure to warn. "Fault" shall not include any tort which results 481 from an act or omission committed with a specific wrongful intent. * * * 482

483 (2) Except as otherwise provided in subsection (4) of this 484 section, in any civil action based on fault, the liability for 485 damages caused by two (2) or more persons shall be several only, 486 and not joint and several and a joint tort-feasor shall be liable 487 only for the amount of damages allocated to him in direct 488 proportion to his percentage of fault. In assessing percentages 489 of fault an employer and the employer's employee or a principal 490 and the principal's agent shall be considered as one (1) defendant 491 when the liability of such employer or principal has been caused *HR40/R1435* H. B. No. 1579 04/HR40/R1435

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492 by the wrongful or negligent act or omission of the employee or 493 agent.

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495 (3) Nothing in this section shall eliminate or diminish any
496 defenses or immunities which currently exist, except as expressly
497 noted herein.

498 (4) Joint and several liability shall be imposed on all who 499 consciously and deliberately pursue a common plan or design to 500 commit a tortious act, or actively take part in it. Any person 501 held jointly and severally liable under this section shall have a 502 right of contribution from his fellow defendants acting in 503 concert.

504 (5) In actions involving joint tort-feasors, the trier of 505 fact shall determine the percentage of fault for each party 506 alleged to be at fault, without regard to whether the joint 507 <u>tort-feasor is immune from damages. Fault allocated to an immune</u> 508 <u>tort-feasor or a tort-feasor whose liability is limited by law</u> 509 <u>shall not be reallocated to any other tort-feasor</u>.

510 (6) Nothing in this section shall be construed to create a 511 cause of action. Nothing in this section shall be construed, in 512 any way, to alter the immunity of any person.

513 **SECTION 8.** Section 11-1-64, Mississippi Code of 1972, which 514 provides the procedure for dismissing a defendant whose liability 515 is based solely on his status as a seller in the stream of 516 commerce, is hereby repealed.

517 **SECTION 9.** If any provision of this act is held by a court 518 to be invalid, such invalidity shall not affect the remaining 519 provisions of this act, and to this end the provisions of this act 520 are declared severable.

521 **SECTION 10.** This act shall take effect and be in force from 522 and after July 1, 2004, and shall apply to all causes of action 523 filed on or after that date.

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