

By: Campbell

S.B. No. 695

A BILL TO BE ENTITLED

AN ACT

relating to the application of foreign laws and foreign forum selection in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 6, Civil Practice and Remedies Code, is amended by adding Chapter 148 to read as follows:

CHAPTER 148. APPLICATION OF FOREIGN LAWS; SELECTION OF FOREIGN FORUM

Sec. 148.001. DEFINITION. In this chapter, "foreign law" means a law, rule, or legal code of a jurisdiction outside of the states and territories of the United States.

Sec. 148.002. DECISION BASED ON FOREIGN LAW. A ruling or decision of a court, arbitrator, or administrative adjudicator may not be based on a foreign law if the application of that law would violate a right guaranteed by the United States Constitution or the constitution of this state.

Sec. 148.003. CHOICE OF FOREIGN LAW OR FORUM IN CONTRACT.

(a) A contract provision providing that a foreign law is to govern a dispute arising under the contract is void to the extent that the application of the foreign law to the dispute would violate a right guaranteed by the United States Constitution or the constitution of this state.

(b) A contract provision providing that the forum to resolve a dispute arising under the contract is located outside the states

1 and territories of the United States is void if the foreign law that  
2 would be applied to the dispute in that forum would, as applied,  
3 violate a right guaranteed by the United States Constitution or the  
4 constitution of this state.

5 Sec. 148.004. LIMITATION ON FORUM NON CONVENIENS. If a  
6 resident of this state commences an action in this state, a court  
7 may not grant a motion for forum non conveniens if the foreign law  
8 that would be applied to the dispute in the forum to which the  
9 moving party seeks to have the action removed would, as applied,  
10 violate a right guaranteed by the United States Constitution or the  
11 constitution of this state.

12 SECTION 2. (a) Section 148.002, Civil Practice and  
13 Remedies Code, as added by this Act, applies only to a ruling or  
14 decision that becomes final on or after the effective date of this  
15 Act. A ruling or decision that becomes final before the effective  
16 date of this Act and any appeal of that ruling or decision are  
17 governed by the law in effect immediately before the effective date  
18 of this Act, and that law is continued in effect for that purpose.

19 (b) Section 148.003, Civil Practice and Remedies Code, as  
20 added by this Act, applies only to a contract entered into on or  
21 after the effective date of this Act. A contract entered into  
22 before the effective date of this Act is governed by the law in  
23 effect immediately before that date, and that law is continued in  
24 effect for that purpose.

25 (c) Section 148.004, Civil Practice and Remedies Code, as  
26 added by this Act, applies only to a motion for forum non conveniens  
27 made on or after the effective date of this Act. A motion for forum

1 non conveniens made before the effective date of this Act is  
2 governed by the law in effect immediately before that date, and that  
3 law is continued in effect for that purpose.

4 SECTION 3. This Act takes effect September 1, 2013.