

By: Flynn

H.B. No. 45

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. The term does not include a law of a Native American tribe of a state or territory 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.

1 (b) A contract provision providing that the forum to resolve
2 a dispute arising under the contract is located outside the states
3 and territories of the United States is void if the foreign law that
4 would be applied to the dispute in that forum would, as applied,
5 violate a right guaranteed by the United States Constitution or the
6 constitution of this state.

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

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

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

27 (c) Section 148.004, Civil Practice and Remedies Code, as

1 added by this Act, applies only to a motion for forum non conveniens
2 made on or after the effective date of this Act. A motion for forum
3 non conveniens made before the effective date of this Act is
4 governed by the law in effect immediately before that date, and that
5 law is continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2017.