

**House File 76 - Introduced**

HOUSE FILE 76  
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**A BILL FOR**

1 An Act relating to the application of foreign laws, and  
2 including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 537C.1 Public policy of this state.

2 1. It shall be the public policy of this state to protect  
3 its citizens from the application of foreign laws when the  
4 application of foreign law will result in the violation of  
5 a right guaranteed by the Constitution of the United States  
6 or the Constitution of the State of Iowa, including but  
7 not limited to due process; freedom of religion, speech, or  
8 press; and any right of privacy or marriage embodied in the  
9 Constitution of the State of Iowa.

10 2. It shall be the public policy of this state to fully  
11 recognize the right to contract freely under the laws of this  
12 state, and also to recognize that this right may be reasonably  
13 and rationally circumscribed pursuant to the state's interest  
14 to protect and promote rights and privileges granted under  
15 the Constitution of the United States and the Constitution of  
16 the State of Iowa, including but not limited to due process;  
17 freedom of religion, speech, or press; and any right of privacy  
18 or marriage embodied in the Constitution of the State of Iowa.

19 Sec. 2. NEW SECTION. 537C.2 Definition.

20 As used in this chapter, "*foreign law*" means any law, legal  
21 code, or system of a jurisdiction outside of any state or  
22 territory of the United States, including but not limited to  
23 international organizations and tribunals, and applied by that  
24 jurisdiction's courts, administrative bodies, or other formal  
25 or informal tribunals.

26 Sec. 3. NEW SECTION. 537C.3 Use of foreign laws —  
27 enforceability.

28 Any court, arbitration, tribunal, or administrative agency  
29 ruling or decision violates the public policy of this state  
30 and shall be void and unenforceable if the court, arbitration,  
31 tribunal, or administrative agency bases its ruling or decision  
32 in the matter at issue in whole or in part on any law, legal  
33 code, or system, that would not grant the parties affected by  
34 the ruling or decision the same fundamental liberties, rights,  
35 and privileges granted under the Constitution of the United

1 States and the Constitution of the State of Iowa, including  
2 but not limited to due process; freedom of religion, speech,  
3 or press; and any right of privacy or marriage embodied in the  
4 Constitution of the State of Iowa.

5 Sec. 4. NEW SECTION. 537C.4 Choice of law.

6 A contract or contractual provision, if capable of  
7 segregation, which provides for the choice of a law, legal  
8 code, or system, to govern some or all of the disputes  
9 between the parties adjudicated by a court of law or by an  
10 arbitration panel arising from the contract mutually agreed  
11 upon violates the public policy of this state and shall be void  
12 and unenforceable if the law, legal code, or system chosen  
13 includes or incorporates any substantive or procedural law,  
14 as applied to the dispute at issue, that would not grant the  
15 parties the same fundamental liberties, rights, and privileges  
16 granted under the Constitution of the United States and the  
17 Constitution of the State of Iowa, including but not limited  
18 to due process; freedom of religion, speech, or press; and any  
19 right of privacy or marriage embodied in the Constitution of  
20 the State of Iowa.

21 Sec. 5. NEW SECTION. 537C.5 Jurisdiction.

22 A contract or contractual provision, if capable of  
23 segregation, which provides for jurisdiction for the purpose  
24 of granting the courts or arbitration panels in personam  
25 jurisdiction over the parties to adjudicate any disputes  
26 between the parties arising from the contract mutually agreed  
27 upon violates the public policy of this state and shall be void  
28 and unenforceable if the law, legal code, or system chosen  
29 includes or incorporates any substantive or procedural law,  
30 as applied to the dispute at issue, that would not grant the  
31 parties the same fundamental liberties, rights, and privileges  
32 granted under the Constitution of the United States and the  
33 Constitution of the State of Iowa, including but not limited  
34 to due process; freedom of religion, speech, or press; and any  
35 right of privacy or marriage embodied in the Constitution of

1 the State of Iowa.

2 Sec. 6. NEW SECTION. 537C.6 **Forum non conveniens.**

3 If a person of this state, subject to personal jurisdiction  
4 in this state, seeks to maintain litigation, arbitration,  
5 agency, or similarly binding proceedings in this state and if  
6 the courts of this state find that granting a claim of forum  
7 non conveniens or a related claim violates or would likely  
8 violate the constitutional rights of the nonclaimant in the  
9 foreign forum with respect to the matter in dispute, the claim  
10 shall be denied.

11 Sec. 7. NEW SECTION. 537C.7 **Applicability.**

12 1. Without prejudice to any legal right, this chapter shall  
13 not apply to a corporation, partnership, limited liability  
14 corporation, business association, or other legal entity that  
15 contracts to subject itself to foreign law in a jurisdiction  
16 other than this state or the United States.

17 2. This chapter shall not apply to a church or to a  
18 religious corporation, association, or society, with respect  
19 to individuals of a particular religion regarding matters  
20 that are purely ecclesiastical, including but not limited to  
21 calling a pastor, excluding members from a church, electing  
22 church officers, matters concerning church bylaws, constitution  
23 and doctrinal regulations, and the conduct of other routine  
24 church business where the jurisdiction of the church would be  
25 final, and the jurisdiction of the courts of this state would  
26 be contrary to the First Amendment to the Constitution of the  
27 United States and to Article I of the Constitution of the State  
28 of Iowa. This exemption in no way grants permission for any  
29 otherwise unlawful act under the guise of the protection of the  
30 First Amendment to the Constitution of the United States.

31 Sec. 8. NEW SECTION. 537C.8 **Conflict.**

32 This chapter shall not be interpreted by any court to  
33 conflict with any federal treaty or other international  
34 agreement to which the United States is a party to the extent  
35 that such treaty or international agreement preempts or is

1 superior to state law on the matter at issue.

2 Sec. 9. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
3 immediate importance, takes effect upon enactment.

4 EXPLANATION

5 This bill relates to the application of foreign laws.

6 The bill specifies that it shall be the public policy of  
7 this state to protect its citizens from the application of  
8 foreign laws when the application of foreign law will result  
9 in the violation of a right guaranteed by the Constitution of  
10 the United States or the Constitution of the State of Iowa,  
11 including but not limited to due process; freedom of religion,  
12 speech, or press; and any right of privacy or marriage embodied  
13 in the Constitution of the State of Iowa.

14 The bill further specifies that it is the public policy of  
15 this state to fully recognize the right to contract freely  
16 under the laws of this state, and also to recognize that this  
17 right may be reasonably and rationally circumscribed pursuant  
18 to the state's interest to protect and promote rights and  
19 privileges granted under the Constitution of the United States  
20 and the Constitution of the State of Iowa.

21 As used in the bill, "foreign law" means any law, legal  
22 code, or system of a jurisdiction outside of any state or  
23 territory of the United States, including but not limited to  
24 international organizations and tribunals, and applied by that  
25 jurisdiction's courts, administrative bodies, or other formal  
26 or informal tribunals. "Foreign law" as defined would not  
27 include the laws of the Native American tribes of this state as  
28 that jurisdiction is within this state.

29 The bill establishes that it is a violation of the public  
30 policy of this state if any court, arbitration, tribunal,  
31 or administrative agency ruling or decision bases a ruling  
32 or decision in the matter at issue in whole or in part  
33 on any law, legal code, or system, that would not grant  
34 the parties affected by the ruling or decision the same  
35 fundamental liberties, rights, and privileges granted under the

1 Constitution of the United States and the Constitution of the  
2 State of Iowa. The bill specifies such a ruling is void and  
3 unenforceable.

4 Under the bill, a contract or contractual provision, if  
5 capable of segregation, which provides for the choice of a law,  
6 legal code, or system, to govern some or all of the disputes  
7 between the parties arising from a contract mutually agreed  
8 upon violates the public policy of this state and shall be void  
9 and unenforceable if the law, legal code, or system chosen  
10 includes or incorporates any substantive or procedural law,  
11 as applied to the dispute at issue, that would not grant the  
12 parties the same fundamental liberties, rights, and privileges  
13 granted under the Constitution of the United States and the  
14 Constitution of the State of Iowa.

15 A contract or contractual provision under the bill, if  
16 capable of segregation, which specifies jurisdiction for  
17 the purpose of granting the courts or arbitration panels in  
18 personam jurisdiction over the parties to adjudicate any  
19 disputes between the parties arising from a contract mutually  
20 agreed upon, shall be void and unenforceable if the law, legal  
21 code, or system chosen includes or incorporates any substantive  
22 or procedural law, as applied to the dispute at issue, that  
23 would not grant the parties the same fundamental liberties,  
24 rights, and privileges granted under the Constitution of the  
25 United States and the Constitution of the State of Iowa.

26 If a person of this state, subject to personal jurisdiction  
27 in this state, seeks to maintain litigation, arbitration,  
28 agency, or similarly binding proceedings in this state and if  
29 the courts of this state find that granting a claim of forum  
30 non conveniens or a related claim violates the constitutional  
31 rights of the nonclaimant in the foreign forum with respect  
32 to the matter in dispute, the bill requires that the claim be  
33 denied.

34 The bill does not apply to a corporation, partnership,  
35 limited liability corporation, business association, or other

1 legal entity that contracts to subject itself to foreign law in  
2 a jurisdiction other than this state or the United States. The  
3 bill also does not apply to many activities involving a church  
4 or religious organization.

5 Additionally, the provisions of the bill shall not be  
6 interpreted by any court to conflict with any federal treaty or  
7 other international agreement to which the United States is a  
8 party to the extent that such treaty or international agreement  
9 preempts or is superior to state law on the matter at issue.

10 The bill takes effect upon enactment.