

**House File 2695 - Introduced**

HOUSE FILE 2695  
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HF 2554)

**A BILL FOR**

1 An Act relating to the application of foreign law and limiting  
2 changes in venue of civil actions, and including applicability  
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **623.1 Prohibition on transfer of**  
2 **civil actions involving foreign law.**

3 1. As used in this section, "*foreign law*" means any law,  
4 legal code, or legal system of a jurisdiction outside any state  
5 or territory of the United States, including but not limited  
6 to laws or rules of international organizations, tribunals, or  
7 courts.

8 2. A court of this state, an arbitration panel, a tribunal,  
9 or an administrative agency shall not transfer a civil action  
10 to another court or forum if the transfer would result in  
11 application of a foreign law that would violate or is likely to  
12 violate a fundamental liberty, right, or privilege guaranteed by  
13 the Constitution of the United States or the Constitution of the  
14 State of Iowa.

15 Sec. 2. NEW SECTION. **626E.1 Application of foreign law.**

16 1. As used in this section, "*foreign law*" means any law,  
17 legal code, or legal system of a jurisdiction outside any state  
18 or territory of the United States, including but not limited  
19 to laws or rules of international organizations, tribunals, or  
20 courts.

21 2. A ruling or decision of a court of this state, an  
22 arbitration panel, a tribunal, or an administrative agency that  
23 is based, in whole or in part, on a foreign law is void and  
24 unenforceable if application of the foreign law denies a party  
25 a fundamental liberty, right, or privilege guaranteed by the  
26 Constitution of the United States or the Constitution of the  
27 State of Iowa.

28 3. A contract, or a contractual provision if severable, that  
29 provides for the choice or application of a foreign law is void  
30 and unenforceable if application of the foreign law denies a  
31 party a fundamental liberty, right, or privilege guaranteed by  
32 the Constitution of the United States or the Constitution of the  
33 State of Iowa.

34 4. A contract, or a contractual provision if severable, that  
35 grants jurisdiction to a foreign tribunal or forum is void and

1 unenforceable if exercise of jurisdiction by the foreign tribunal  
2 or forum results in application of a foreign law that denies a  
3 party a fundamental liberty, right, or privilege guaranteed by  
4 the Constitution of the United States or the Constitution of the  
5 State of Iowa.

6 5. This section shall not be construed to do any of the  
7 following:

8 a. Disapprove, abrogate, or overturn existing precedent of  
9 the supreme court.

10 b. Limit the adjudication of ecclesiastical or internal  
11 religious matters of a religious organization, including the  
12 selection, appointment, discipline, or removal of clergy, or the  
13 interpretation of religious doctrine.

14 c. Apply to a corporation, partnership, limited liability  
15 company, association, or any other type of business entity that  
16 voluntarily and knowingly subjects the corporation, partnership,  
17 limited liability company, association, or other type of business  
18 entity to foreign law or a foreign forum.

19 d. Apply in any circumstance in which federal law preempts  
20 state law, including obligations arising under treaties or  
21 international agreements to which the United States is a party.

22 Sec. 3. APPLICABILITY. This Act applies to civil actions,  
23 contracts, arbitrations, and administrative proceedings commenced  
24 on or after the effective date of this Act.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with  
27 the explanation's substance by the members of the general assembly.

28 This bill relates to the application of foreign law and limits  
29 the transfer of civil actions when application of foreign law  
30 would violate constitutional protections.

31 The bill defines "foreign law" as law, legal codes, or legal  
32 systems of jurisdictions outside any state or territory of the  
33 United States, including international organizations, tribunals,  
34 or courts. The bill prohibits a court of this state, an  
35 arbitration panel, a tribunal, or an administrative agency from

1 transferring a civil action to another court or forum if the  
2 transfer would result in application of foreign law that would  
3 violate or is likely to violate a fundamental liberty, right, or  
4 privilege guaranteed by the Constitution of the United States or  
5 the Constitution of the State of Iowa.

6 The bill provides that rulings or decisions of courts,  
7 arbitration panels, tribunals, or administrative agencies are  
8 void and unenforceable if based, in whole or in part, on  
9 foreign law that denies a party a fundamental liberty, right,  
10 or privilege guaranteed under the federal or state constitution.  
11 The bill also provides that contracts, or severable contractual  
12 provisions, selecting foreign law or granting jurisdiction  
13 to a foreign tribunal or forum are void and unenforceable  
14 if application of foreign law results in the denial of  
15 constitutional rights.

16 The bill specifies that these provisions do not overturn  
17 existing precedent of the supreme court, do not limit  
18 adjudication of ecclesiastical or internal religious matters  
19 of religious organizations, do not apply to entities that  
20 voluntarily and knowingly subject themselves to foreign law or  
21 foreign forums, and do not apply in circumstances in which  
22 federal law preempts state law, including obligations arising  
23 under treaties or international agreements.

24 The bill applies to civil actions, contracts, arbitrations,  
25 and administrative proceedings commenced on or after the  
26 effective date of the bill.