

House File 2554 - Introduced

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BY THOMPSON

A BILL FOR

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

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

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
13 by the Constitution of the United States or the Constitution of
14 the 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
33 the State of Iowa.

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

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

14 c. Apply to a corporation, partnership, limited liability
15 company, association, or any other type of business entity
16 that voluntarily and knowingly subjects the corporation,
17 partnership, limited liability company, association, or other
18 type of business 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
24 commenced 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
29 limits the transfer of civil actions when application of
30 foreign law would violate constitutional protections.

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

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

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