

BILL ANALYSIS

Senate Research Center
80R19847 AJA-F

C.S.H.B. 1602
By: Van Arsdale et al. (Fraser)
State Affairs
5/13/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

More than 300 million tons of cargo and almost 15,000 vessels pass through Texas ports each year, producing more than \$178 billion in business sales. Scores of major port facilities are located along a thousand miles of channel. Those ports require frequent dredging to maintain and improve them to keep pace with growing maritime commerce.

Under current law, the general venue rule in Texas for almost all workers is that lawsuits against corporations must be brought in the county where the incident causing the alleged injury occurred. However, there is a loophole that allows cases brought under the federal Jones Act to be filed in the county of the plaintiff's residence. This loophole caused an explosion of lawsuits in Texas against dredging companies under the Jones Act. These lawsuits are threatening to make dredging in Texas so expensive that projects along the Texas Gulf Coast are at serious risk. Of the 186 lawsuits filed under the Jones Act against eight dredging companies between 2003 and 2006, 58 percent were filed in South Texas.

C.S.H.B. 1602 closes the venue loophole that currently exists to require that lawsuits brought under the Jones Act in Texas courts be brought in the county where the plaintiff resided under certain conditions, in the county in which all or a substantial part of the events giving rise to the claim occurred, or in the county of the defendant's principal place of business is located. The change in law would apply to an action that commences on or after the effective date of this Act.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 15.018, Civil Practice and Remedies Code, as follows:

Sec. 15.018. New heading: FEDERAL EMPLOYERS' LIABILITY ACT. (a) Provides that this section only applies to suits brought under the federal Employers' Liability Act. Deletes existing text applying this section to suits brought under the Jones Act (46 U.S.C. Section 688).

(b) Makes a conforming change.

SECTION 2. Amends Subchapter B, Chapter 15, Civil Practice and Remedies Code, by adding Section 15.0181, as follows:

Sec. 15.0181. JONES ACT. (a) Defines "coastal county," "coastal erosion," "erosion response project," "Gulf Coast state," and "inland waters."

(b) Provides that this section only applies to suits brought under the Jones Act (46 U.S.C. Section 688).

(c) Requires a suit brought under the Jones Act, except as provided by this section, to be brought in the county where the defendant's principal office in this state is located or in the county where the plaintiff resided at the time the cause of action accrued.

(d) Requires a suit, if all or a substantial part of the events or omissions giving rise to the claim occurred on the inland waters of this state, ashore in this state, or during the course of an erosion response project in this state, to be brought in certain counties.

(e) Requires a suit, if all or a substantial part of the events or omissions giving rise to the claim occurred on inland waters outside this state, ashore in a Gulf Coast state, or during the course of an erosion response project in a Gulf Coast state, to be brought in certain locations.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2007.