## CHAMBER ACTION

The State Administration Council recommends the following:

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## Council/Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to civil justice reform; amending s. 47.051, F.S.; revising procedures for bringing actions against corporations; providing a definition; creating s. 768.1259, F.S.; defining the term "seller"; prohibiting commencing or maintaining a civil claim or action against a seller under certain circumstances; specifying criteria for actions for product liability of a seller; amending s. 768.81, F.S.; deleting exceptions to a requirement for liability based on percentage of fault instead of joint and several liability; providing applicability; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Section 47.051, Florida Statutes, is amended to read:

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47.051 Actions against corporations.--Actions against domestic corporations shall be brought only in the county where Page  $10f\,5$ 

CODING: Words stricken are deletions; words underlined are additions.

such corporation has <u>its principal office</u>, or <u>usually keeps</u>, an <u>office for transaction of its customary business</u>, where the cause of action accrued, or where the property in litigation is located. Actions against foreign corporations doing business in this state shall be brought in <u>the county in which its</u> registered agent for service of process resides a county where such corporation has an agent or other representative, where the cause of action accrued, or where the property in litigation is located. For purposes of this section, the term "principal office" means the office in the state in which the principal executive office is located.

Section 2. Section 768.1259, Florida Statutes, is created to read:

## 768.1259 Protection from liability for sellers.--

- (1) As used in this section, the term "seller" means a person who sells a product as a retailer, distributor, or wholesaler or who otherwise transfers a product to another for compensation.
- (2) A person may not commence or maintain a civil claim or action against the seller of a product based on a claim that the product contained a defect which proximately caused injury to that person unless the seller:
  - (a) Manufactured, produced, or designed the product;
- (b) Altered, modified, assembled, or failed to maintain the product in a manner that caused harm to the claimant;
- (c) Had actual knowledge of a manufacturing defect which proximately caused the person's harm; or

(d) Knew, or, in the exercise of reasonable care, should have known, that the product was recalled prior to sale and the defect identified in the recall proximately cause the injury complained of.

- (3) Notwithstanding subsection (2), the seller of a product is subject to an action for product liability if the manufacturer of the product is not subject to personal jurisdiction in this state or if the manufacturer is insolvent.
- Section 3. Subsection (3) of section 768.81, Florida Statutes, is amended to read:

768.81 Comparative fault.--

- (3) APPORTIONMENT OF DAMAGES. -- In cases to which this section applies, the court shall enter judgment against each party liable on the basis of such party's percentage of fault and not on the basis of the doctrine of joint and several liability. -- except as provided in paragraphs (a), (b), and (c):
- (a) Where a plaintiff is found to be at fault, the following shall apply:
- 1. Any defendant found 10 percent or less at fault shall not be subject to joint and several liability.
- 2. For any defendant found more than 10 percent but less than 25 percent at fault, joint and several liability shall not apply to that portion of economic damages in excess of \$200,000.
- 3. For any defendant found at least 25 percent but not more than 50 percent at fault, joint and several liability shall not apply to that portion of economic damages in excess of \$500,000.

4. For any defendant found more than 50 percent at fault, joint and several liability shall not apply to that portion of economic damages in excess of \$1 million.

- For any defendant under subparagraph 2., subparagraph 3., or subparagraph 4., the amount of economic damages calculated under joint and several liability shall be in addition to the amount of economic and noneconomic damages already apportioned to that defendant based on that defendant's percentage of fault.
- (b) Where a plaintiff is found to be without fault, the following shall apply:
- 1. Any defendant found less than 10 percent at fault shall not be subject to joint and several liability.
- 2. For any defendant found at least 10 percent but less than 25 percent at fault, joint and several liability shall not apply to that portion of economic damages in excess of \$500,000.
- 3. For any defendant found at least 25 percent but not more than 50 percent at fault, joint and several liability shall not apply to that portion of economic damages in excess of \$1 million.
- 4. For any defendant found more than 50 percent at fault, joint and several liability shall not apply to that portion of economic damages in excess of \$2 million.

For any defendant under subparagraph 2., subparagraph 3., or subparagraph 4., the amount of economic damages calculated under joint and several liability shall be in addition to the amount

of economic and noneconomic damages already apportioned to that defendant based on that defendant's percentage of fault.

- (c) With respect to any defendant whose percentage of fault is less than the fault of a particular plaintiff, the doctrine of joint and several liability shall not apply to any damages imposed against the defendant.
- (a)(d) In order to allocate any or all fault to a nonparty, a defendant must affirmatively plead the fault of a nonparty and, absent a showing of good cause, identify the nonparty, if known, or describe the nonparty as specifically as practicable, either by motion or in the initial responsive pleading when defenses are first presented, subject to amendment any time before trial in accordance with the Florida Rules of Civil Procedure.
- (b)(e) In order to allocate any or all fault to a nonparty and include the named or unnamed nonparty on the verdict form for purposes of apportioning damages, a defendant must prove at trial, by a preponderance of the evidence, the fault of the nonparty in causing the plaintiff's injuries.
- Section 4. This act shall take effect upon becoming a law and shall apply to causes of action that accrue on or after the effective date.