

## BILL ANALYSIS

Senate Research Center

S.B. 1855  
By: Wentworth  
Economic Development  
4-29-97  
As Filed

### DIGEST

Currently, under some Texas cases, the state's venue statutes prohibit a forum and venue selection clause in a contract agreement where the statutes permit or require an action to be brought in a certain court. Some Texas courts have read the venue statutes to authorize forum and venue selection clauses in contracts. *Barnette v. United Research Company, Inc.*, 823 S.W.2d 368 (Tex.App.--Dallas 1991, *writ den'd*). As a result, there is some confusion as to whether forum and venue selection clauses are enforceable under Texas venue law. This bill would amend the Civil Practice and Remedies Code to provide that in commercial transactions with a value of \$1 million or more, contracting parties may agree to make venue proper in a particular location for lawsuits arising out of the transaction or may agree to make venue improper in a particular county of this state, notwithstanding other permissive or mandatory provisions of the Civil Practice and Remedies Code.

### PURPOSE

As proposed, S.B. 1855 provides that in a commercial transaction with a value of \$1 million or more, contracting parties are authorized to agree to make venue proper in a particular location for lawsuits arising out of the transaction or may agree to make venue improper in a particular county of this state.

### RULEMAKING AUTHORITY

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

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 15B, Civil Practice and Remedies Code, by adding Section 15.019, as follows:

Sec. 15.019. MAJOR TRANSACTIONS: SPECIFICATIONS OF VENUE BY AGREEMENT. Defines "major transaction." Requires an action arising from a major transaction to be brought in a county if the party against whom the action is brought has agreed in writing that a suit arising from the transaction may be brought in that county. Prohibits an action arising from a major transaction, notwithstanding any other provision of this title, from being brought in a county under certain conditions. Provides that this section does not apply to an action under certain conditions. Provides that this section does not affect venue and jurisdiction in an action arising from a transaction that is not a major transaction.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Emergency clause.  
Effective date: upon passage.