

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 813*
PROPOSED COMMITTEE SUBSTITUTE H813-PCS80431-RG-27

Short Title: Uniform Apportionment of Tort Responsibility.

(Public)

Sponsors:

Referred to:

March 26, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE UNIFORM APPORTIONMENT OF TORT RESPONSIBILITY
3 ACT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** The General Statutes are amended by adding a new Chapter to read:

6 "**Chapter 1F.**

7 "**Contributory Fault.**

8 "**§ 1F-1. Short title.**

9 This Chapter may be cited as the Uniform Apportionment of Tort Responsibility Act.

10 "**§ 1F-5. Definitions.**

11 The following definitions apply in this Chapter:

- 12 (1) Contributory fault. – Contributory negligence, misuse of a product,
13 unreasonable failure to avoid or mitigate harm, and assumption of risk unless
14 the risk is expressly assumed in a legally enforceable release or similar
15 agreement.
- 16 (2) Person. – An individual, corporation, business trust, estate, trust, partnership,
17 limited liability company, association, joint venture, public corporation,
18 government, or governmental subdivision, agency, or instrumentality, or any
19 other legal or commercial entity.
- 20 (3) Released person. – A person that would be liable for damages to a claimant
21 for personal injury or harm to property if the person had not been discharged
22 from liability under G.S. 1F-35 or G.S. 1F-40.
- 23 (4) Responsibility. – With respect to a claim for damages for personal injury or
24 harm to property, the legal consequences of an act or omission that is the
25 basis for liability or a defense in whole or in part.

26 "**§ 1F-10. Effect of contributory fault.**

27 (a) Except as otherwise provided in subsection (b) of this section, in an action seeking
28 damages for personal injury or harm to property based on negligence or on any other claim for
29 which the claimant may be subject to a defense in whole or part based on contributory fault,
30 any contributory fault chargeable to the claimant diminishes the amount that the claimant
31 otherwise would be entitled to recover as compensatory damages for the injury or harm by the
32 percentage of responsibility assigned to the claimant pursuant to G.S. 1F-15.



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1 **(b)** If the claimant's contributory fault is greater than the combined responsibility of all
2 other parties and released persons whose responsibility is determined to have caused personal
3 injury to or harm to property of the claimant, the claimant may not recover any damages.

4 **(c)** In a jury trial, the court shall instruct the jury regarding the legal effect of its
5 answers to interrogatories, made pursuant to G.S. 1F-15, on a claimant's right to recover
6 damages under subsection (b) of this section.

7 **"§ 1F-15. Finding damages; attribution of responsibility.**

8 **(a)** In an action to recover damages for personal injury or harm to property involving
9 the responsibility of more than one party or a released person, the court shall instruct the jury to
10 answer special interrogatories or, if there is no jury, make all of the following findings:

11 **(1)** Stating the amount of damages that a claimant would be entitled to recover if
12 any contributory fault were disregarded.

13 **(2)** Stating, as to each claim, the percentage of the total responsibility of all the
14 parties and released persons attributed to each claimant, defendant, and
15 released person that caused the injury or harm.

16 **(3)** Regarding whether any of the parties or released persons acted in concert or
17 with an intent to cause personal injury or harm to property.

18 **(4)** Regarding any other issue of fact fairly raised by the evidence which is
19 necessary to make a determination under G.S. 1F-20 or enter judgment
20 under G.S. 1F-25.

21 **(b)** In determining percentages of responsibility, the trier of fact shall consider both:

22 **(1)** The nature of the conduct of each party and released person determined to be
23 responsible.

24 **(2)** The extent of the causal relation between the conduct and the damages
25 claimed.

26 **(c)** The court shall determine the extent to which the responsibility of one party, which
27 is based on the act or omission of another party, warrants that the parties be treated as a single
28 party for the purpose of submitting interrogatories to the jury or making findings under
29 subsection (a) of this section.

30 **"§ 1F-20. Determining damage award; reallocation of uncollectible share.**

31 **(a)** After the trier of fact has received answered interrogatories from the jury or made
32 findings pursuant to G.S. 1F-15, the court shall determine, in accordance with the percentages
33 of responsibility found, the monetary amount of any award of damages to a claimant, the
34 amount of the several share for which each party found liable is responsible, and any amount
35 attributable to a released person.

36 **(b)** After the court has made its determinations pursuant to subsection (a) of this
37 section, a claimant, no later than 90 days after the entry of judgment for the plaintiff, may move
38 the court to determine whether all or part of the amount of the several share for which a party is
39 liable will not be reasonably collectible and request reallocation. If the court based on a
40 preponderance of the evidence determines that the party's share will not be reasonably
41 collectible, the court shall make findings reallocating the uncollectible share severally to the
42 other parties, including the claimant, and any released person. Reallocation must be made in the
43 proportion that each party's and released person's respective percentage of responsibility bears
44 to the total of the percentages of responsibility attributed to the parties, including the claimant,
45 and any released person but not including the percentage being reallocated.

46 **(c)** A party whose liability is reallocated remains liable to a claimant for any additional
47 share of responsibility allocated to the claimant. A party that discharges an additional share of
48 responsibility allocated to it pursuant to subsection (b) of this section has a right of
49 reimbursement from the party from which the share was reallocated. Upon motion, the court in
50 the judgment entered under G.S. 1F-25 shall declare the rights and obligations resulting from
51 the reallocation, including any rights and obligations with regard to subrogation or a secured

1 position. If any party to whom reallocation has been made holds a secured position with regard
2 to the share reallocated, each party to whom reallocation has been made has a proportionate
3 share in the secured position. Any amount recovered under this subsection from a party whose
4 liability has been reallocated must be distributed to each of the parties to whom the reallocation
5 was made in the same proportion as the original reallocation.

6 (d) Reallocation does not make a released person liable for any reallocated share of
7 responsibility unless the release or other agreement so provides.

8 (e) If a motion for reallocation is made, any party may conduct discovery regarding any
9 issue relevant to the motion.

10 **"§ 1F-25. Entering and modifying judgment.**

11 (a) After determining an award of damages to a claimant and the amount of the several
12 share, including any reallocated share, for which each party found liable is responsible, the
13 court shall enter judgment severally against each party adjudged liable, except in the following
14 situations:

15 (1) If two or more parties adjudged liable acted in concert or with an intent to
16 cause personal injury to, or harm to property of, the claimant, the court shall
17 enter judgment jointly and severally against the parties for their joint share.

18 (2) If a party is adjudged liable for failing to prevent another party from
19 intentionally causing personal injury to, or harm to property of, the claimant,
20 the court shall enter judgment jointly and severally against the parties for
21 their combined shares of responsibility.

22 (3) If a party is adjudged liable for the act or omission of another party under
23 G.S. 1F-15(c), the court shall enter judgment jointly and severally against
24 the parties for their joint share.

25 (4) If a statute of this State, other than this Chapter, so requires, the court shall
26 enter judgment jointly and severally or otherwise conform the judgment to
27 the statute.

28 (b) If a court grants a motion for reallocation pursuant to G.S. 1F-20 after judgment is
29 entered, the court shall modify the judgment to declare the rights and obligations resulting from
30 the reallocation, including any rights and obligations with regard to subrogation or a secured
31 position.

32 **"§ 1F-30. Right of contribution and indemnity; third-party action.**

33 (a) Except as otherwise provided in subsection (b) of this section, a party that is jointly
34 and severally liable with one or more other parties under this Chapter has a right of contribution
35 from another party jointly liable for any amount the party pays in excess of the several amount
36 for which the party is responsible. A party against which contribution is sought is not liable for
37 more than the monetary amount of the party's several share of responsibility determined
38 pursuant to G.S. 1F-20.

39 (b) A party that is adjudged liable for the act or omission of another party under
40 G.S. 1F-25(a)(3) has a right of indemnification from the other party.

41 (c) A party that is subject to liability for injury to, or harm to property of, a claimant
42 under this Chapter has a right:

43 (1) To join a person that is also subject to liability to the claimant for all or part
44 of the same injury or harm if the claimant has not sued the person.

45 (2) To seek contribution or indemnity, whichever is appropriate, from another
46 person whose liability is not determined in the proceeding in which the party
47 is adjudged liable if the other person is responsible for all or part of the
48 claimant's injury or harm.

49 (d) A claim for contribution or indemnity may be asserted in the original action or in a
50 separate action.

51 **"§ 1F-35. Effect of release.**

1 (a) A release, covenant not to sue, covenant not to execute a judgment, or similar
2 agreement by a claimant and person subject to liability discharges the person from liability to
3 the claimant to the extent provided in the agreement and from liability for contribution to any
4 other person subject to liability to the claimant for the same injury or harm. The agreement
5 does not discharge any other person subject to liability upon the same claim unless the
6 agreement so provides.

7 (b) The amount of the claim of the releasing person under subsection (a) of this section
8 against other persons jointly and severally liable for the same injury or harm for which the
9 released person would have been liable is reduced by the percentage of responsibility attributed
10 to the released person pursuant to G.S. 1F-15.

11 (c) A release, covenant not to sue, covenant not to execute a judgment, or similar
12 agreement extinguishes any claim for contribution or indemnity that the released person would
13 have had against another person that would have been jointly and severally liable with the
14 released person.

15 **"§ 1F-40. Reduction of workers' compensation lien and subrogation right; notice and**
16 **intervention.**

17 (a) If an employer or workers' compensation insurer asserts a lien or right of
18 subrogation under G.S. 97-10.2, the employer or insurer is deemed to have had its obligation to
19 the employee for the compensation benefits paid or payable discharged under G.S. 1F-35 as if
20 the employer or insurer had received a release, covenant not to sue, or covenant not to execute
21 a judgment from, or entered a similar agreement with, the employee. In such a case, any
22 percentage of responsibility that the employer would have had for the employee's injury, were
23 the employer not immune under Article 1 of Chapter 97 of the General Statutes, must be
24 determined as that of a released person pursuant to G.S. 1F-15, and the lien or right of
25 subrogation is reduced by the monetary amount of the employer's percentage of responsibility,
26 if any, in the employee's action against the third party.

27 (b) A party asserting that an employer's or workers' compensation insurer's lien or right
28 of subrogation should be reduced under subsection (a) of this section because of the employer's
29 fault shall give notice to the employer or workers' compensation insurer. In that case, the
30 employer or insurer may intervene in the employee's action for personal injury.

31 **"§ 1F-45. Uniformity of application and construction.**

32 In applying and construing this Chapter, consideration must be given to the need to promote
33 uniformity of the law with respect to its subject matter among states that enact it.

34 **"§ 1F-50. Severability clause.**

35 If any provision of this Chapter or its application to any person or circumstance is held
36 invalid, the invalidity does not affect other provisions or applications of this Chapter that can be
37 given effect without the invalid provision or application, and to this end the provisions of this
38 Chapter are severable."

39 **SECTION 2.** G.S. 1B-2 reads as rewritten:

40 **"§ 1B-2. Pro rata shares.**

41 In determining the pro rata shares of tort-feasors in the entire ~~liability~~liability, all of the
42 following apply:

- 43 (1) Their relative degree of fault shall not be ~~considered~~considered, unless
44 liability is based upon acts or omissions that constitute contributory fault as
45 defined in G.S. 1F-5, in which case the provisions of Chapter 1F of the
46 General Statutes shall be the basis for determining the allocation of liability.
47 (2) If equity requires, the collective liability of some as a group shall constitute a
48 single ~~share~~; andshare.
49 (3) Principles of equity applicable to contribution ~~generally~~—shall
50 apply-generally."

1 **SECTION 3.** Article 31 of Chapter 143 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 143-300.1B. Contributory fault applies to this Article.**

4 Subject to the provisions of G.S. 143-300.1A, when liability under this Article is based
5 upon acts or omissions that constitute contributory fault as defined in G.S. 1F-5, the provisions
6 of Chapter 1F of the General Statutes shall apply."

7 **SECTION 4.** G.S. 99B-1.1 reads as rewritten:

8 **"§ 99B-1.1. Strict liability-liability; contributory fault.**

9 (a) There shall be no strict liability in tort in product liability actions.

10 (b) When liability is based upon acts or omissions that constitute contributory fault as
11 defined in G.S. 1F-5, the provisions of Chapter 1F of the General Statutes shall apply to
12 product liability actions under this Chapter."

13 **SECTION 5.** G.S. 28A-18-2 is amended by adding a new subsection to read:

14 "(e) When liability under this section is based upon acts or omissions that constitute
15 contributory fault as defined in G.S. 1F-5, the provisions of Chapter 1F of the General Statutes
16 shall apply to actions for damages under this section."

17 **SECTION 6.** G.S. 1A-1, Rule 7(a), reads as rewritten:

18 "(a) Pleadings. – There shall be a complaint and an answer; a reply to a counterclaim
19 denominated as such; an answer to a crossclaim, if the answer contains a crossclaim; a
20 third-party complaint if a person who was not an original party is summoned under the
21 provisions of Rule 14; and a third-party answer, if a third-party complaint is served. ~~If the~~
22 ~~answer alleges contributory negligence, a party may serve a reply alleging last clear chance.~~ No
23 other pleading shall be allowed except that the court may order a reply to an answer or a
24 third-party answer."

25 **SECTION 7.** G.S. 1A-1, Rule 8(c), reads as rewritten:

26 "(c) Affirmative defenses. – In pleading to a preceding pleading, a party shall set forth
27 affirmatively accord and satisfaction, arbitration and award, assumption of risk, contributory
28 ~~negligence, fault,~~ discharge in bankruptcy, duress, estoppel, failure of consideration, fraud,
29 illegality, injury by fellow servant, laches, license, payment, release, res judicata, statute of
30 frauds, statute of limitations, truth in actions for defamation, usury, waiver, and any other
31 matter constituting an avoidance or affirmative defense. Such pleading shall contain a short and
32 plain statement of any matter constituting an avoidance or affirmative defense sufficiently
33 particular to give the court and the parties notice of the transactions, occurrences, or series of
34 transactions or occurrences, intended to be proved. When a party has mistakenly designated a
35 defense as a counterclaim or a counterclaim as a defense, the court, on terms, if justice so
36 requires, shall treat the pleading as if there had been a proper designation."

37 **SECTION 8.** This act becomes effective January 1, 2010, and applies to actions
38 arising from acts or omissions occurring on or after that date.