THE REPUBLICAN STUDY COMMITTEE
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Legislative Bulletin……………………………………..………November 14, 2013

Contents:

H.R. 2655 — Lawsuit Abuse Reduction Act of 2013 (Smith, R-TX)

Order of Business: H.R. 2655 is scheduled to be considered on the floor on November 14, 2013, subject to a closed rule. The text of the rule can be viewed here.

Summary: This bill is intended to curb frivolous lawsuits by requiring courts to impose sanctions on parties, law firms, or attorneys that file frivolous lawsuits. Current law allows but does not require courts to impose these sanctions. The bill requires that the injured parties be compensated. In addition, the bill also allows courts to impose additional sanctions such as dismissing the lawsuit, striking the pleadings, or other nonmonetary directives.

Additional Background: Sanctions in Federal Courts are governed by the Federal Rules of Civil Procedure. Rule 11 specifically deals with sanctions for representations made before the court. The current Rule 11 allows but does not require courts to impose sanctions and gives parties 21 days to correct or withdraw any challenged representations. According to the Committee Report, this 21 day grace period is a "free pass" that allows lawyers to file frivolous lawsuits. This bill does not change the standards that courts use to determine which lawsuits are "frivolous".

Similar legislation, H.R. 966 "Lawsuit Abuse Reduction Act of 2011" was introduced by Rep. Smith in the 112th Congress but was not considered by the full House of Representatives.

Committee Action: H.R. 2655 was introduced on July 11, 2013, and referred to the House Committee on the Judiciary. On September 11, 2013, the bill was favorably reported by the Committee by a vote of 17-10.

Outside Groups in Support: The United States Chamber of Commerce is "key voting" a vote in support of the bill.
Other groups:

- National Federation of Independent Business
- National Association of Manufacturers
- Consumer Electronics Association

Administration Position: The Executive Office of the President issued a Statement of Administration Policy in opposition to the bill.

Cost to Taxpayers: According to the Congressional Budget Office cost estimate "implementing the bill would result in no significant impact on the federal budget."

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment?: No.

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: No.

Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No.

Constitutional Authority: According to the bill sponsor, "Congress has the power to enact this legislation pursuant to the following: The constitutional authority on which this legislation is based is found in Article I, Section 8, Clause 9; Article III, Section 1, Clause 1; and Article III, Section 2, Clause 2 of the Constitution, which grant Congress authority over federal courts." Congressman Smith's statement in the Congressional Record can be viewed here.

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