

105TH CONGRESS  
2D SESSION

# H. R. 3789

To amend title 28, United States Code, to enlarge Federal Court jurisdiction over purported class actions.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 5, 1998

Mr. HYDE (for himself, Mr. MCCOLLUM, Mr. SMITH of Texas, Mr. CANADY of Florida, Mr. BRYANT, Mr. PEASE, and Mr. MORAN of Virginia) introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To amend title 28, United States Code, to enlarge Federal Court jurisdiction over purported class actions.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND REFERENCE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Class Action Jurisdiction Act of 1998”.

6 (b) **REFERENCE.**—Whenever in this Act an amend-  
7 ment or repeal is expressed in terms of an amendment  
8 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-  
2 sion of title 28, United States Code.

3 **SEC. 2. JURISDICTION OF DISTRICT COURTS.**

4 (a) EXPANSION OF FEDERAL JURISDICTION.—Sec-  
5 tion 1332 is amended by redesignating subsections (b),  
6 (c), and (d) as subsections (c), (d), and (e), respectively,  
7 and by inserting after subsection (a) the following:

8 “(b) The district courts additionally shall have origi-  
9 nal jurisdiction of all civil actions, regardless of the sum  
10 or value of the matter in controversy therein, which are  
11 brought as a class action or comparable representative ac-  
12 tion and in which—

13 “(1) any member of a proposed plaintiff class  
14 or other person on whose behalf the action is  
15 brought is a citizen of a State different from any de-  
16 fendant; or

17 “(2) any member of a proposed plaintiff class  
18 or other person on whose behalf the action is  
19 brought is a foreign state, as defined in section  
20 1603(a), or a citizen or subject of a foreign state  
21 and any defendant is a citizen of a State; or

22 “(3) any member of a proposed plaintiff class  
23 or other person on whose behalf the action is  
24 brought is a citizen of a State and any defendant is  
25 a citizen or subject of a foreign state.”.

1 (b) CONFORMING AMENDMENT.—Section 1332(c) (as  
2 so redesignated) is amended by inserting after “Federal  
3 courts” the following: “pursuant to subsection (a) of this  
4 section”.

5 **SEC. 3. REMOVAL OF CLASS ACTIONS.**

6 (a) IN GENERAL.—Section 1441(b), is amended by  
7 inserting the following sentence after the first sentence in  
8 that subsection: “Any civil action of which the district  
9 courts have original jurisdiction on the basis of the juris-  
10 dictional provisions of section 1332(b) also shall be remov-  
11 able without regard to the citizenship or residence of the  
12 parties (except as provided in section 1332(b)).”.

13 (b) REMOVAL BY SINGLE DEFENDANT.—Section  
14 1446(a), is amended by inserting at the end the following:  
15 “Actions removed on the basis of the jurisdictional provi-  
16 sions of section 1332(b) may be removed by any defend-  
17 ant, regardless of whether the removal is joined by any  
18 other defendant. Any class action removed to Federal  
19 court shall be deemed as brought under Rule 23 of the  
20 Federal Rules of Civil Procedure and treated as such”.

21 (c) ELIMINATION OF 1-YEAR LIMITATION ON RE-  
22 MOVAL OF CLASS ACTIONS.—The second sentence of sec-  
23 tion 1446(b), is amended by striking “section 1332” and  
24 inserting “section 1332(a).”

1 **SEC. 4. JURISDICTION OVER FAILED CLASS ACTIONS.**

2 (a) AMENDMENT.—Chapter 85 is amended by adding  
3 at the end the following new section:

4 **“§ 1369. Jurisdiction over failed class actions**

5 “If a district court determines that any action subject  
6 to its jurisdiction solely under the provisions of section  
7 1332(b) may not proceed in any respect as a class action  
8 or comparable representative action under Rule 23 of the  
9 Federal Rules of Civil Procedure or other applicable law,  
10 the court shall dismiss the action for lack of subject mat-  
11 ter jurisdiction.”.

12 (b) TECHNICAL AMENDMENT.—The table of sections  
13 of chapter 85 is amended by adding at the end the follow-  
14 ing:

“1369. Jurisdiction over failed class actions.”.

15 **SEC. 5. APPLICABILITY.**

16 The amendments made by this Act shall be applicable  
17 to all litigation pending in any district court of the United  
18 States or any court of any State as of the date of enact-  
19 ment of this Act, except that any removal of an action  
20 pursuant to chapter 89 of title 28, United States Code,  
21 on the basis of the jurisdictional provisions of section  
22 1332(b) of such title must occur within 60 days of the  
23 date of enactment of this Act if the action has been pend-

1 ing for more than 30 days as of the date of enactment  
2 of this Act.

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