

1 H.388

2 Introduced by Representatives Helm of Fair Haven, Branagan of Georgia,
3 Brennan of Colchester, Eastman of Orwell, Fiske of Enosburgh,
4 Hebert of Vernon, Pearce of Richford, and Savage of Swanton

5 Referred to Committee on

6 Date:

7 Subject: Court procedure; products liability

8 Statement of purpose of bill as introduced: This bill proposes to limit the
9 liability of a seller in a products liability action. A seller would not be liable
10 unless the seller manufactured, designed, or installed the product, or unless the
11 seller modified or expressly warranted the product in a manner not authorized
12 by the manufacturer.

13 An act relating to limiting seller liability in products liability actions

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 Sec. 1. FINDINGS

16 The General Assembly finds that:

17 (1) it is unfair for a seller to be held responsible under the doctrine of
18 products liability for damages that the seller did not cause;

19 (2) as a result of products liability, a seller is often brought into
20 litigation despite the fact that the seller's conduct had nothing to do with the

1 accident or transaction giving rise to the lawsuit, and may therefore face
2 increased and unjust costs due to the possibility or result of unfair and
3 disproportionate damage awards;

4 (3) due to high liability costs and unwarranted litigation costs, sellers
5 face higher costs in purchasing insurance through interstate insurance
6 markets; and

7 (4) liability reform for sellers will promote the free flow of goods and
8 services, lessen burdens on interstate commerce, and decrease litigiousness.

9 Sec. 2. 12 V.S.A. § 1162 is added to read:

10 § 1162. LIMITATION ON LIABILITY OF PRODUCT SELLERS

11 (a)(1) A seller of a product shall not be liable for personal injury, monetary
12 loss, or damage to property arising out of an accident or transaction involving
13 the product unless the seller:

14 (A) manufactures the product;

15 (B) participates in the design of the product;

16 (C) participates in the installation of the product; or

17 (D) alters, modifies, or expressly warrants the product in a manner
18 not authorized by the manufacturer.

19 (2) If a seller engages in one of the activities identified in subdivision
20 (1)(A), (B), (C), or (D) of this subsection, the seller's liability shall be limited

1 to the personal injury, monetary loss, or damage to property directly caused by
2 the activity.

3 (b) As used in this section:

4 (1) “Manufacturer” means a person who is lawfully engaged in the
5 business of manufacturing a product during the person’s ordinary course of
6 trade or business.

7 (2) “Seller” means a person who is lawfully engaged in the business of
8 marketing, distributing, advertising, or selling a product during the person’s
9 ordinary course of trade or business.

10 Sec. 3. EFFECTIVE DATE

11 This act shall take effect on passage.