

MEMBERS OF THE N.C. GENERAL ASSEMBLY:

Say No to Job-Killing Senate Bill 477

Senate Bill 477 might be titled the Victims' Fair Treatment Act, but a better name for this harmful piece of legislation would be the Subsidize Plaintiffs' Lawyers at the Expense of North Carolina's Economy Act. It would be hard to overstate the damage this bill would cause as it would destabilize North Carolina's well-balanced civil liability system and cause litigation costs to skyrocket for job creators and other defendants. It would, however, serve to further line the pockets of out-of-state plaintiffs' lawyers well-practiced in the art of pushing frivolous lawsuits.

A vote for Senate Bill 477 is a vote against jobs and against our ability to compete for new growth as we mount our economic relaunch. Do we really want North Carolina's economic success to fund the deep-pocket-seeking proclivities of plaintiffs' lawyers, rather than keep our state moving forward?

The NC Chamber prioritizes North Carolina's success and will record all votes in favor of Senate Bill 477 as anti-competitiveness votes in our annual How They Voted report.

SB 477 Subverts NC's Well-Balanced Civil Liability System

SB 477 abandons a longstanding doctrine at the core of our state's balanced civil liability system, contributory negligence, based on the rational notion that a plaintiff should generally be ineligible to recover damages from an incident caused by their own negligence. Alongside doctrines that enable recovery for plaintiffs making justified arguments, this key doctrine supports a well-established system of checks and balances proven to lead to fair and reasonable settlements. Upending this doctrine would disrupt the balance of our state's civil liability laws and raise new legal questions that could take years of costly litigation to sort out.

SB 477 Promotes Ambulance-Chasing Tactics, not Worker Protections

To be clear, SB 477 does nothing to promote safer workplaces or stronger employee protections. Lawsuits against employers involving employee claims are handled as part of the workers' compensation system, not under the traditional civil liability system. Rather, the effect of SB 477 would largely be to incentivize more non-employee plaintiffs to sue businesses for their own negligence, and not for anything a business did or did not do, undermining the value of personal responsibility in civil disputes which is reinforced by our current, balanced system.

SB 477 Threatens NC's Economic Recovery

At a time when we should be pursuing all means to empower our economy to rebound and grow, SB 477 would invite America's plaintiffs' lawyers to unleash a flood of predatory lawsuits, driving up costs across our liability system. A noted 1991 study found that states without contributory negligence standards saw average automobile injury premiums between 29 and 55 percent higher than those with such a standard. Generalizing these findings, the researchers concluded that states abandoning contributory negligence, as SB 477 seeks for North Carolina, should expect to see costs rise across their liability systems. It is no leap of logic to see higher litigation rates behind these higher liability costs – and allowing this kind of litigation climate to prevail here would especially harm the thousands of small business owners fighting to relaunch from COVID-19, whose businesses may not survive a single costly lawsuit.

SB 477 Undermines NC's Competitive Progress

Our state's leaders – and especially the members of our General Assembly – have worked hard to secure one of the strongest business climates in the nation, bringing in first-place accolades from leading arbiters like Forbes and substantial investments from global innovators like Apple. We have established a top-10 business tax climate and are well on our way to securing a top-10 business legal climate. SB 477 could throw much of this progress out the window with a single vote, especially given that Virginia and Maryland, two of our toughest nearby competitors, would retain the competitive advantage of contributory negligence.