

Bond Case Briefs

Municipal Finance Law Since 1971

ENVIRONMENTAL - ALABAMA

Ex parte Aladdin Manufacturing Corporation

Supreme Court of Alabama - December 20, 2019 - So.3d - 2019 WL 6974629

Municipalities' water works and sewer boards brought action against out-of-state carpet and chemical companies in which boards sought injunctive relief and damages based on claims of negligence, wantonness, nuisance, and trespass, which were claims that arose from allegations that companies discharged toxic chemicals into industrial wastewater from their out-of-state plants, which subsequently contaminated municipalities' downstream water sources in Alabama.

The Circuit Court denied companies' motion to dismiss for lack of personal jurisdiction. Companies sought writs of mandamus.

The Supreme Court held that:

- Boards failed to rebut certain defendants' prima facie showings that trial court lacked personal jurisdiction;
- Alleged tort took place in Alabama for purposes of Alabama's long-arm statute;
- Boards sufficiently alleged that remaining defendants had sufficient minimum contacts with Alabama to support trial court's exercise of personal jurisdiction; and
- Trial court's exercise of personal jurisdiction over those remaining defendants comported with traditional notions of fair play and substantial justice.

Municipality's water works and sewer board failed to rebut out-of-state company's prima facie showing that trial court lacked specific personal jurisdiction over company, and thus company was entitled to dismissal of board's action against it based on claims of negligence, wantonness, nuisance, and trespass related to allegation that manufacturer discharged toxic chemicals that ended up in municipality's water source in Alabama, where company's global vice president of manufacturing stated that company had never manufactured, produced, supplied, or sold chemicals in question and that company had never discharged industrial wastewater at out-of-state wastewater-treatment center in question, and board's response was only to point to literature regarding chemicals in question.

Out-of-state carpet and chemical manufacturers' alleged tort of discharging toxic chemicals into industrial wastewater from their out-of-state plants, which subsequently contaminated municipalities' downstream water sources in Alabama, took place in Alabama for purposes of Alabama's long-arm statute, as was relevant to determining if trial court had personal jurisdiction over manufacturers in action against manufacturers by municipalities' water works and sewer boards based on claims of negligence, wantonness, nuisance, and trespass due to manufacturers' alleged discharge of toxic chemicals that subsequently contaminated municipalities' downstream water sources in Alabama.

Municipalities' water works and sewer boards sufficiently alleged that out-of-state carpet and chemical companies had sufficient minimum contacts with Alabama to support trial court's exercise of personal jurisdiction over them in boards' action based on claims of negligence, wantonness,

nuisance, and trespass due to companies' alleged discharges of toxic chemicals into industrial wastewater that subsequently contaminated municipalities' downstream water sources in Alabama; taking boards' jurisdictional allegations as true, since manufacturers insufficiently controverted them, manufacturers knowingly discharged chemicals in question into their industrial wastewater, which went to a treatment center that manufacturers knew ineffectively treated the water, which then entered a river system.

Trial court's exercise of personal jurisdiction over out-of-state carpet and chemical companies in action by municipalities' water works and sewer boards based on claims of negligence, wantonness, nuisance, and trespass due to companies' alleged discharges of toxic chemicals into industrial wastewater that subsequently contaminated municipalities' downstream water sources in Alabama comported with traditional notions of fair play and substantial justice; manufacturers were located between 70 and 90 miles from municipalities, and allegations pertained to an alleged injury occurring in Alabama.