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Iowa Supreme Court Says That Domesticated Animal Activities Act Applies to Immunize Employer From Damages Arising From Farmhand's Injury

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Overview

In recent years, 46 states have enacted legislation designed to encourage the continued existence of equine-related activities, facilities and programs, and provide the equine industry limited protection against lawsuits.[1] The laws generally require special language in written contracts and liability releases or waivers, require the posting of warning signs and attempt to educate the public about inherent risks in horse-related activities and immunities designed to limit tort liability.[2] Under the typical statute, an "equine activity sponsor," "equine professional," or others can only be sued in tort for damages related to the provision of faulty tack, failure to determine the plaintiff's ability to safely manage a horse, or failure to post warning signs concerning dangerous latent conditions. Recovery for damages resulting from inherent risks associated with horses is barred, and some state statutes require the plaintiff to establish that the defendant's conduct constituted "gross negligence," "willful and wanton misconduct," or "intentional wrongdoing."[3]

The Iowa Domesticated Animal Activities Act (Act)[4]

The Iowa Act provides that a "person, including a domesticated animal professional, domesticated animal activity sponsor, the owner of the domesticated animal, or a person exhibiting the domesticated animal, is not liable for damages, injury or death suffered by a participant or spectator resulting from the inherent risks of a domesticated animal activity."[5] The Act also requires that a "domesticated animal professional"[6] post warning signs[7] alerting participants in a "domesticated animal event"[8]where "domestic animal activities"[9] are conducted to the limitation of liability of the equine operators, but in cases where a written contract is executed, special provisions must be present on the contract.[10]

The Iowa statute[11] was the focus of a recent Iowa Supreme Court opinion, and the Court extended the Act's coverage to an agricultural employment situation on the basis that the employer was a "person" covered by the Act.

The Ringgold County Case[12]

Under the facts of the case, a farmhand suffered a severe leg fracture in a fall from a horse during an attempt to move his employer's cattle. The employer's horse[13] was a two-year old that the farmhand had successful ridden a few days earlier. The farmhand sued his employer (a father and son duo) to recover for his damages, claiming that because his employer did not carry workers' compensation insurance as the plaintiff claimed Iowa law required,[14] he was entitled to a presumption that his injury was the direct result of the employer's negligence and that the negligence was the proximate cause of his injury.[15]

Note: The plaintiff's assertion that the employment situation at issue was covered by workers' compensation appears dubious. Iowa law exempts "persons engaged in agriculture" from workers' compensation coverage for injuries sustained while engaged in "agricultural

pursuits" of the employer regardless of whether the activity occurs on or off the employer's premises.[16] The only exception is if the employer has unrelated employees that are paid (in total, if multiple such persons are employed) $2,500 or more during the preceding calendar year.[17] It is not clear from the Court's opinion whether the employer was actually subject to the Iowa workers' compensation law (neither the trial court nor the Supreme Court addressed the issue), but it is highly unlikely given the facts involved.

The employer moved for summary judgment based on the immunity granted in the Act. Based on the language of the statute and the history behind enactment in most of the states with equine liability laws, the employer's claim of immunity under the Act looked to be a long-shot. However, the trial court granted the employer's motion for summary judgment, finding that a horse is a "domesticated animal," riding a horse is a "domesticated animal activity," and the horse's actions were an inherent risk of that activity. More importantly, the trial court noted that the statute provides that a "person" is not liable under the Act and reasoned that "person" should be broadly construed to include employer/employee settings involving the use of livestock – such as the employer's horse in this case. The trial court also noted that the Act defined "participant" as "a person who engages in a domesticated animal activity, regardless of whether the person receives compensation" and reasoned that this indicated application to employment situations.

The Supreme Court affirmed based on its belief that the Iowa legislature intended the statute to apply broadly to all "persons" and that the statutory definitions of "domesticated animal activity sponsor" and "domesticated animal event" did not preclude ag employment situations involving domesticated livestock (although the "sponsors" and "activities" listed in the statute have nothing to do with common ag employment situations).

At trial, and again at the Supreme Court, the farm hand argued that the Act did not specifically exempt farming operations as a "domesticated animal activity sponsor" and, as such, only applied to activities involving participation of members of the general public (as "spectators" in or "participants" of activities involving domesticated animals) and not "traditional farming operations done by employees." However, the Iowa Supreme Court agreed with the trial court, determined that the Act applied, and that the employer was immunized from suit.

The Supreme Court's Rationale

While the Court did cite caselaw from other jurisdictions to support its holding that the term "person" was to be construed broadly to provide immunity for an employer in common agricultural employment situations involving livestock, none of the cases it cited actually involved employer/employee sets of facts.[18] Instead, they involved a horse owner that was a member of a calf-roping club,[19] a horse boarder,[20] and a horse owner whose horse was participating in a horse show.[21] But, the Court took a very literal view of the statute – the employer was a "person" that owned a "domesticated animal" (the horse) and was immunized from damages or injury resulting from the inherent risks of the activity incurred by a "participant" (the farmhand) who engaged in a "domesticated animal activity" (the farmhand's riding of a horse). The court also believed that the Act's definition of "participant" to include persons that engage in a domesticated animal activity irrespective of whether compensation is received, bolstered their reasoning that the statute was meant to cover employment situations. However, it may be more likely that the "compensation" the statute refers to is prize money or the like handed out at animal events. That's more likely the case, given the statutory definitions for "domesticated animal activity sponsor" and "domesticated animal activity" and the complete absence in the statute of any reference to agricultural employment situations. Thus, the Court affirmed the trial court's grant of

summary judgment for the employer. The Court, while making no ruling on the plaintiff's workers' compensation claim, did note that workers' compensation benefit claims are *not* within the scope of the immunity granted by the Act.

Lesson On Statutory Construction

That Act, by its express terms, provides that a domesticated animal professional, sponsor, or exhibitor is not liable for damages, injury or death suffered by a participant or spectator resulting from the inherent risks of a domesticated animal activity. All of the definitional provisions in the Act demonstrate that the Act was enacted with the purpose of providing liability protection for persons and businesses engaged in conducting events involving domesticated animals (particularly horses) such as (as the statute specifies) fairs, rodeos, shows, competitions, 4-H events, sporting events and the like.[22] Nowhere in the statutory provisions or in the history behind the enactment of the statute or similar provisions in other states is there any indication that common agricultural employment situations that happen to involve livestock were intended to be covered.

A fundamental rule of statutory construction is "ejusdem generis."[23] That means that when the statute at issue contains a list of specific descriptors and also a general descriptor, the otherwise broad meaning of the general descriptor is to be restricted to the same class as the specific descriptors. This case turned on the definition of "person" under the Act. The Act provides liability protection for "[a] person" (the general descriptor), "including a domesticated animal professional, domesticated animal activity sponsor, the owner of a domesticated animal, or a person exhibiting the domesticated animal…" (the specific descriptors).[24] Accordingly, the proper interpretation of "person" is in the context of the definitions of "domesticated animal professional" and "domestic animal activity sponsor." Those definitions reveal that the clear intent of the legislation is to provide liability protection for domestic persons or entities conducting animal activity events from liability for damages sustained by "participants" or "spectators" in those events, not common agricultural employment situations.[25] "Participants" in such activities sometimes also receive prizes, awards and other "compensation."[26] The fact that the Act provides liability protection irrespective of whether a "participant" is compensated, does not mean that the statute is referring to an employment situation. That's particularly true in light of the Act's overall language.

Summary

For employment not covered by workers' compensation (which is most agricultural production employment situations), in order to hold an employer liable for injuries suffered by an employee, the employee must show that the employer breached a duty owed to the employee. An employer's liability to an injured worker depends heavily upon the employer's negligence. The employer bears certain common-law responsibilities such as (1) the duty to provide reasonably safe tools and appliances; (2) the duty to provide a reasonably safe place to work; (3) the duty to warn and instruct the employee of dangers which the employee could not reasonably be expected to discover; and (4) the duty to provide reasonably competent fellow employees.[27] Apparently in Iowa, after the Supreme Court's opinion, the traditional common law multi-factor analysis still applies in common agricultural employment settings that are *not* covered by workers' compensation and do *not* involve domesticated animals. When domesticated animals are involved, the employer has immunity under the Act.

Another question that remains after the Court's decision is whether the notice requirements of the Act apply to ag employment settings that are, consistent with the Court's opinion, covered by the Act. The Act requires a "domesticated animal professional" to post and maintain a sign on their property where domesticated animal activities are conducted.[28] The sign is to be clearly visible to a "participant," and must warn the participant that the "domesticated animal professional" is not liable for injury for inherent

risks of domesticated animal activities.[29] If a written contract is involved between the parties, the contract must also contain the same notice and must provide statutorily prescribed disclaimer language.[30] Because the Court construed the term "person" separate and distinct from "domesticated animal professional" and "domesticated animal sponsor," it would seem that the notice requirement would *not* apply to ag employment situations where the employer is not a "domesticated animal professional."[31] But, even that is uncertain because a "domesticated animal professional" is "a person who receives compensation for engaging in a domesticated animal activity by…instructing a participant."[32] Because the Court has displayed its willingness to stray from the intent and meaning of statutory language to formulate a result it desires (not just in this case), it may not be that much of a stretch for the Court to determine that an ag employer receives compensation (in the form of profit) for having an employee engage in a domesticated animal activity (riding a horse counts)[33] when the employer provides instruction to the employee. That would then trigger the notice requirement.

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[1] The Iowa provision was enacted in 1997 and applies to "domesticated animal activity" events. As of January 1, 2008, only California, Maryland, Nevada and New York had not enacted such laws.

[2] The statutes in CT, HI, ID, MT, NH, ND, UT, WA and WY require neither signage nor particular contract language.

[3] *See, e.g.*, Snider v. Fort Madison Rodeo Corp., No. 1-699/00-2065, 2002 Iowa App. LEXIS 327 (Iowa Ct. App. Feb. 20, 2002)(plaintiff sued parade sponsor and pony owner for injuries sustained in crossing street during parade; omission of lead rope not reckless conduct and plaintiff assumed risk of crossing street during parade).

[4] Iowa Code §§673.1-673.3

[5] Iowa Code §673.2. Exceptions are then provided for intentional or reckless acts or damages resulting from the provision of faulty tack or the failure to notify a participant of a dangerous latent condition, among other things.

[6] Defined in Iowa Code §673.1(6) as "a person who receives compensation for engaging in domesticated animal activity" by instructing a participant, renting the use of a domesticated animal to a participant for specified purposes, or renting equipment or tack to a participant.

[7] Iowa Code §673.3. Posting is required of a "domesticated animal professional."

[8] Defined in Iowa Code §673.1(5) as "an event in which a domesticated animal activity occurs, including but not limited to, any of the following…fair..rodeo…exposition…competition…4-H event…sporting event…an event involving driving, pulling or cutting…hunting…[and]…an equine event or discipline including, but not limited to, dressage, a hunter or jumper show, polo, steeplechasing, English or western performance riding, a western game, or trail riding."

[9] Defined in Iowa Code §673.1(3) to include, among other things, riding or driving a domesticated animal (which includes a horse) as defined in Iowa Code §673.1(2).

[10] Iowa Code §673.3

[11] Iowa Code §§673.1 – 673.3

[12] Baker v. Shields, 767 N.W.2d 404 (Iowa Sup. Ct. 2009).

[13] This is an assumption – the Court's opinion is not clear on this point.

[14] See Iowa Code §87.14A (which specifies that an employer that is subject to workers' compensation but willfully and knowingly fails to obtain insurance covering compensation benefits (or obtain relief from insurance) before engaging in business is guilty of a class "D" felony).

[15] See Iowa Code §87.21(2).

[16] Iowa Code §85.1(3).

[17] Iowa Code §85.1(3)(a)-(b).

[18] To the author's knowledge, the Iowa Supreme Court decision is the first court opinion to hold that a state equine activity (or domestic animal activity) liability act applies to common agricultural employment situations with the effect of immunizing the employer from suit from damages arising from inherent risks associated with the subject animal.

[19] Culver v. Samuels, 37 P.3d 535 (Colo. Ct. App. 2001).

[20] Wiederkehr v. Brent, *et al.*, 248 Ga. App. 645, 548 S.E.2d 402 (2001).

[21] Gautreau v. Washington, 672 So.2d 262 (La. Ct. App. 1996).

[22] See Iowa Code §673.1(5)(a-e).

[23] Latin for "of the same kind."

[24] Iowa Code §673.2.

[25] On this point see Gibson v. Donahue, 148 Ohio App. 3d 139, 772 N.E.2d 646 (2002)(dog owner not entitled to immunity under state Equine Activity Liability Act (Act) for injuries sustained by horse rider when horse threw her after being startled by

defendant's dogs; court determined that Act did not apply because plaintiff not engaged in covered activity by simply riding horse across field and because statute was not meant to apply to all third parties (as "persons"); court stated that "if the legislature intended to provide immunity to all people, it would not have specifically listed those entitled to immunity").

[26] *See, e.g.*, Zurich Reinsurance Limited v. Remaley, No. 99-7101 (10th Cir. Jan. 31, 2000)(rodeo spectator became a participant in "money the hard way" event upon rodeo arena announcer's invitation; participant injured while attempting to remove a ribbon from a bull's horn in order to win a $50 cash prize).

[27] Accordingly, it is easy to understand why the plaintiff in this case did not allege a common law violation on the employer's part. The employee had previously ridden the horse at issue without mishap, and there is no indication in the facts as reported that any of the other factors were involved. What is difficult to understand, however, is the plaintiff's workers' compensation claim. As noted above, most agricultural employment is exempt from workers' compensation.

[28] Iowa Code §673.3.

[29] *Id.*

[30] *Id.*

[31] The notice requirement is specific to a "domesticated animal professional." Iowa Code §673.3.

[32] Iowa Code §673.1(6).

[33] See Iowa Code §673.1 (3)(a).