

Two ranchers, both citizens of State A, brought an action in a state court in State A against a developer, a citizen of State B. The ranchers alleged a state-law tort claim for water runoff damage to their properties caused by construction on the developer's neighboring property. The first rancher claimed \$250,000 in damages and the second rancher claimed \$50,000. In their complaint, the ranchers cited federal law regarding the calculation of damages due to water runoff. The developer timely removed the action to federal court.

Is removal proper?

- A. No, because the ranchers are not diverse from each other.
- B. No, because the second rancher's claim does not meet the amount-in-controversy requirement.
- C. Yes, because the complaint includes a federal question.
- D. Yes, because the ranchers are diverse from the developer and both ranchers' claims arise from the same facts.

Explanation:

A defendant can **remove a case** from state to federal court if the claims fall within the federal court's subject-matter jurisdiction. **Original jurisdiction** can be established through either:

- **federal-question jurisdiction** – when a claim arises under the U.S. Constitution, a treaty, or federal law *or*
- **diversity jurisdiction** – when the amount in controversy exceeds \$75,000 and the opposing parties are **citizens** of different states.

Here, the ranchers' complaint cited federal law regarding the calculation of damages. But since their *claim* is based on a state-law tort, there is no federal-question jurisdiction **(Choice C)**. Instead, diversity jurisdiction exists over the first rancher's claim because it seeks \$250,000 and the ranchers (State A citizens) are diverse from the developer (State B citizen). However, there is no diversity jurisdiction over the second rancher's claim since it seeks only \$50,000.

When a claim fails to satisfy original jurisdiction, **supplemental jurisdiction** generally exists over that claim if it shares a common nucleus of operative facts with a claim within the court's original jurisdiction. But when the original claim is based on **diversity jurisdiction** (as seen here), supplemental jurisdiction is **barred if the supplemental claim:**

- would **contaminate diversity of citizenship** between the opposing parties *or*
- seeks **\$75,000 or less** and is made by a plaintiff (1) against **parties added through joinder**, intervention, or impleader or (2) seeking to join through **compulsory joinder or intervention**.

Here, the ranchers' claims arise from the *same* construction on the developer's property. Although the ranchers are not diverse from each other, this does not contaminate diversity between the ranchers and their opponent—the developer **(Choice A)**. Additionally, the second rancher's \$50,000 claim is asserted against the original defendant and the second rancher *permissibly* joined the suit. Therefore, the court has supplemental jurisdiction over this claim and removal is proper **(Choice B)**.

Educational objective:

A case can be removed to federal court if a claim falls within that court's original jurisdiction. A claim that does not satisfy original jurisdiction generally can also be removed through supplemental jurisdiction if that claim shares a common nucleus of operative facts with a claim within the court's original jurisdiction.

References

- 28 U.S.C. § 1441 (removal requirements).
- 28 U.S.C. §§ 1331–32 (federal-question & diversity jurisdiction).

- 28 U.S.C. § 1367 (supplemental jurisdiction).
- Exxon Mobil Corp. v. Allapattah Services, 545 U.S. 546, 560 (2005) (explaining when the exercise of supplemental jurisdiction is barred).

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Subject-matter jurisdiction

