

By: Ellis

S.B. No. 1601

A BILL TO BE ENTITLED

AN ACT

relating to unclaimed funds in class actions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 31, Civil Practice and Remedies Code, is amended by adding Section 31.009 to read as follows:

Sec. 31.009. UNCLAIMED CLASS ACTION SETTLEMENT OR JUDGMENT FUNDS. (a) This section applies only to an action certified as a class action under Rule 42, Texas Rules of Civil Procedure, in which the settlement or judgment includes a monetary award, including damages, equitable restitution, or other payment due from each defendant to the class.

(b) Before entering an order approving settlement or judgment, the court shall require all defendants to report to the court by a certain date the total amount of all funds paid to the class members. After the report is received, the court may amend the settlement or judgment to direct each defendant to pay the sum of any unpaid funds to the clerk of the court.

(c) The trust fund for unclaimed class action settlement or judgment funds is created as a trust fund with the supreme court and shall be administered by the supreme court as trustee. Interest earned on the trust fund shall be credited to the fund.

(d) On or before the 30th day after the date funds are received under Subsection (b), the clerk of the court shall pay the funds to the clerk of the supreme court for deposit in the trust

1 fund for unclaimed class action settlement or judgment funds. The  
2 supreme court may distribute funds in the trust fund only to  
3 programs approved by the supreme court that provide civil legal  
4 services to the indigent.

5 (e) Funds received under this section are not subject to  
6 Section 31.008.

7 SECTION 2. This Act takes effect September 1, 2003, and  
8 applies only to a suit in which an order approving settlement was  
9 entered or judgment was entered on or after that date. A suit in  
10 which an order approving settlement was entered or judgment was  
11 entered before the effective date of this Act is governed by the law  
12 applicable to the suit immediately before the effective date of  
13 this Act, and that law is continued in effect for that purpose.