

1-1 By: Ellis S.B. No. 1601
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 30, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 30, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1601 By: Ellis

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to unclaimed funds in class actions.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Chapter 31, Civil Practice and Remedies Code, is
1-13 amended by adding Section 31.009 to read as follows:

1-14 Sec. 31.009. UNCLAIMED CLASS ACTION SETTLEMENT OR JUDGMENT
1-15 FUNDS. (a) This section applies only to an action certified as a
1-16 class action under Rule 42, Texas Rules of Civil Procedure, in which
1-17 the settlement or judgment includes a monetary award, including
1-18 damages, equitable restitution, or other payment due from each
1-19 defendant to the class.

1-20 (b) Before entering an order approving settlement or
1-21 judgment, the court shall require all defendants to report to the
1-22 court by a certain date the total amount of all funds paid to the
1-23 class members. After the report is received, the court may amend
1-24 the settlement or judgment to direct each defendant to pay the sum
1-25 of any unpaid funds to the clerk of the court.

1-26 (c) The trust fund for unclaimed class action settlement or
1-27 judgment funds is created as a trust fund with the supreme court and
1-28 shall be administered by the supreme court as trustee. Interest
1-29 earned on the trust fund shall be credited to the fund.

1-30 (d) On or before the 30th day after the date funds are
1-31 received under Subsection (b), the clerk of the court shall pay the
1-32 funds to the clerk of the supreme court for deposit in the trust
1-33 fund for unclaimed class action settlement or judgment funds. The
1-34 supreme court may distribute funds in the trust fund only to
1-35 programs approved by the supreme court that provide civil legal
1-36 services to the indigent.

1-37 (e) Funds received under this section are not subject to
1-38 Section 31.008.

1-39 SECTION 2. This Act takes effect September 1, 2003, and
1-40 applies only to a suit in which an order approving settlement was
1-41 entered or judgment was entered on or after that date. A suit in
1-42 which an order approving settlement was entered or judgment was
1-43 entered before the effective date of this Act is governed by the law
1-44 applicable to the suit immediately before the effective date of
1-45 this Act, and that law is continued in effect for that purpose.

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