

BILL ANALYSIS

Senate Research Center

S.B. 1601
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DIGEST AND PURPOSE

Currently, when class action lawsuits end in settlement or judgment for the plaintiff class, there are often residual funds left over after distribution of the award to the identified members of the class. Typically, the judge in the suit awards the money to be used for a closely related purpose, or sometimes to a charity. As proposed, S.B. 1601 designates unclaimed funds to the Texas Supreme Court for use in funding civil legal services for the poor.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

[This bill, as drafted, amends Chapter 31 (Additional Compensation of Justices of Courts of Appeal), Government Code, by adding Section 31.009; however, Chapter 31, Government Code, ends with Section 31.004 (Monthly Installments). Chapter 31 (Judgments), Civil Practice and Remedies Code, contains Sections 31.008 (Payment of Unclaimed Judgment) and 31.010 (Turnover by Financial Institution).]

SECTION 1. Amends Chapter 31, Government Code, by adding Section 31.009, as follows:

Section 31.009. DISTRIBUTION OF UNCLAIMED CLASS SETTLEMENT OR JUDGMENT FUNDS. (a) Requires a court, in any action certified under Rule 42, Texas Rules of Civil Procedure, in which the settlement or judgment includes a monetary award, by way of damages, equitable restitution, or other payment due from each defendant to the class, prior to the entry of the settlement or judgment to set a date when the parties are to report to the court the total amount of all funds to the class members. Requires the court, after receiving the report, to amend the settlement or judgment to direct each defendant to pay the sum of any unpaid funds to the clerk of the court.

(b) Requires the clerk of the court, within 30 days of receiving funds under this section, to pay the funds to the clerk of the supreme court. Requires funds received under this section to be distributed to programs approved by the supreme court that provide civil legal services to the indigent.

(c) Provides that funds received under this section are not subject to the provisions of Section 31.008. [Section 31.008, Government Code, does not exist.]

(d) Provides that this Act does not apply to lawsuits where an order approving a settlement or the entry of judgment occurred before September 1, 2003.

SECTION 2. Effective date: September 1, 2003.