

By: Gallego

H.B. No. 3435

A BILL TO BE ENTITLED

AN ACT

relating to the distribution of unclaimed funds in class action litigation.

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

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

Section 31.009. Distribution of Unclaimed Class Settlement or Judgment Funds. (a) In any action certified pursuant to 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 the court shall set a date when the parties shall report to the court the total amount of all funds paid to the class members. After the report is received, the court shall amend the settlement or judgment to direct each defendant to pay the sum of any unpaid funds to the clerk of the court.

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

(c) Funds received under this section are not subject to the provisions of section 31.008.

1 (d) This act shall not apply to lawsuits where an order
2 approving a settlement, or the entry of judgment occurred before
3 September 1, 2003.

4 SECTION 2. This act takes effect September 1, 2003.