

By: Ogden

S.B. No. 2350

A BILL TO BE ENTITLED

AN ACT

relating to the payment of cy pres funds in an action by the attorney general.

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

SECTION 1. Title 3, Civil Practice and Remedies Code, is amended by adding Chapter 67 to read as follows:

CHAPTER 67. CY PRES FUNDS IN ACTION BY ATTORNEY GENERAL

Sec. 67.001. CY PRES FUNDS. (a) In an action brought by the attorney general arising from conduct that is harmful to consumers or to the public generally, the court may enter a judgment or order for payment of cy pres funds.

(b) The attorney general shall retain funds that are designated as cy pres funds under a court judgment or order and shall deposit the funds in the cy pres account.

Sec. 67.002. CREATION OF CY PRES ACCOUNT. The cy pres account is created as a dedicated account in the general revenue fund in the state treasury. The account consists of cy pres funds paid under a court judgment or order as provided by this chapter. The attorney general shall administer the fund.

Sec. 67.003. USE OF CY PRES FUNDS. The attorney general may distribute cy pres funds to nonprofit, charitable, or educational entities to fund programs that provide assistance to consumers.

Sec. 67.004. COMMON LAW CY PRES. The provisions of this chapter do not diminish the common law authority or other statutory

1 authority of the attorney general to seek and obtain cy pres
2 distribution from a court.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2009.