

1 SB4
2 144381-3
3 By Senator Dial
4 RFD: Finance and Taxation General Fund
5 First Read: 14-JAN-14
6 PFD: 06/07/2013

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 Relating to the distribution of excess funds created
12 pursuant to a class action lawsuit filed in Alabama; to
13 provide that all settlements or orders entering judgment in a
14 class action lawsuit filed in Alabama and governed by Alabama
15 law that result in the creation of a common fund for the
16 benefit of a class shall establish a plan for determining the
17 distribution of the residual remaining funds to the Department
18 of Child Abuse and Neglect Prevention and the timing of such
19 distribution.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. In any class action governed exclusively
22 by Alabama law, any order of a circuit court entering a full
23 and final judgment pursuant to Ala. R. Civ. p. 54 as to all
24 claims and issues, whether by settlement or other
25 adjudication, that results in the creation of a common fund
26 for the benefit of the class, shall establish a specific plan
27 for the distribution of any residual funds, under which any

1 funds remaining after payment of all benefits to or for the
2 benefit of class members shall be paid to the Department of
3 Child Abuse and Neglect Prevention.

4 Section 2. For the purpose of this act, residual
5 funds from a class action common fund are those funds that
6 remain undistributed due to circumstances in which the members
7 of the class cannot be located, funds for which the direct
8 distribution to individual class members is not economically
9 feasible, funds which remain after all class members are given
10 a full opportunity to make a claim, or funds payable to or
11 otherwise for the benefit of class members which for any
12 reason remain undistributed after the time period established
13 by the circuit court presiding over the action. All residual
14 funds shall be distributed to the Department of Child Abuse
15 and Neglect Prevention consistent with a specific plan as
16 provided in Section 1.

17 Section 3. Nothing in this act is intended to be nor
18 shall be construed so as to limit the rights of parties to a
19 class action to contract in settlement for the reversion of
20 residual funds to the paying party or to one or more persons
21 or entities designated by the circuit court or a class member
22 as a beneficiary or assignee of the rights of a class member.

23 Section 4. Notwithstanding the obligations imposed
24 by Section 1, in the event the circuit court presiding over a
25 class action finds that, except with regard to the obligations
26 imposed by Section 1, parties to a class action have reached a
27 settlement on behalf of or for the benefit of class member,

1 the circuit court may intervene and attempt to assist the
2 parties' efforts in reaching a resolution or settlement of the
3 class action. In the event the circuit court undertakes to
4 perform duties under this section, the circuit court, in its
5 discretion, and upon determination by the circuit court that
6 the obligations imposed by Section 1 are a substantial
7 impediment to settlement, may suspend the requirements of
8 Section 1.

9 Section 5. This act shall become effective
10 immediately following its passage and approval by the
11 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate committee on Finance and Taxation General Fund ...	14-JAN-14
Read for the second time and placed on the calen- dar.....	26-FEB-14
Read for the third time and passed as amended	05-MAR-14

Yeas 27
Nays 0
Abstaining 1

Patrick Harris
Secretary