

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 911

Short Title: Class Actions and Unpaid Residuals.

(Public)

Sponsors: Senator Hagan.

Referred to: Judiciary I.

March 24, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE DISTRIBUTION OF UNPAID RESIDUALS IN
3 CLASS ACTION LITIGATION.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Subchapter VIII of Chapter 1 of the General Statutes is
6 amended by adding a new Article to read:

7 "Article 26B.

8 "Distribution of Unpaid Residuals in Class Action Litigation.

9 "**§ 1-267.10. Distribution of unpaid residuals in class action litigation.**

10 (a) It is the intent of the General Assembly to ensure that the unpaid residuals in
11 class action litigation are distributed, to the extent possible, in a manner designed either
12 to further the purposes of the underlying causes of action or to promote justice for all
13 citizens of this State. The General Assembly finds that the use of funds collected by the
14 North Carolina State Bar pursuant to this section for these purposes is in the public
15 interest, is a proper use of the funds, and is consistent with essential public and
16 governmental purposes.

17 (b) Prior to the entry of any judgment in a class action established pursuant to
18 Rule 23 of the Rules of Civil Procedure, the court shall determine the total amount that
19 will be payable to all class members, if all class members are paid the amount to which
20 they are entitled pursuant to the judgment. The court shall also set a date when the
21 parties shall report to the court the total amount that was actually paid to the class
22 members. After the report is received, the court shall amend the judgment to direct the
23 defendant to pay the sum of the unpaid residue, plus interest on that sum at the legal rate
24 of interest from the date of entry of the initial judgment, to the Indigent Persons'
25 Attorney Fee Fund."

26 SECTION 2. This act becomes effective October 1, 2005, and applies to
27 causes of action that arise on or after that date.