

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE DRS65267-LD-110 (03/03)

Short Title: Class Actions and Unpaid Residuals.

(Public)

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Sponsors: Senator Hagan.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE DISTRIBUTION OF UNPAID RESIDUALS IN  
CLASS ACTION LITIGATION.

The General Assembly of North Carolina enacts:

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

"Article 26B.

"Distribution of Unpaid Residuals in Class Action Litigation.

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

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

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

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