

AN ACT concerning civil law.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Code of Civil Procedure is amended by adding Section 2-807 as follows:

(735 ILCS 5/2-807 new)

Sec. 2-807. Residual funds in a common fund created in a class action.

(a) Definitions. As used in this Section:

"Eligible organization" means a not-for-profit organization that:

(i) has been in existence for no less than 3 years;

(ii) has been tax exempt for no less than 3 years from the payment of federal taxes under Section 501(c)(3) of the Internal Revenue Code;

(iii) is in compliance with registration and filing requirements applicable pursuant to the Charitable Trust Act and the Solicitation for Charity Act; and

(iv) has a principal purpose of promoting or providing services that would be eligible for funding under the Illinois Equal Justice Act.

"Residual funds" means all unclaimed funds, including uncashed checks or other unclaimed payments, that remain in a

common fund created in a class action after court-approved payments are made for the following:

(i) class member claims;

(ii) attorney's fees and costs; and

(iii) any reversions to a defendant agreed upon by the parties.

(b) Settlement. An order approving a proposed settlement of a class action that results in the creation of a common fund for the benefit of the class shall, consistent with the other Sections of this Part, establish a process for the administration of the settlement and shall provide for the distribution of any residual funds to one or more eligible organizations, except that up to 50% of the residual funds may be distributed to one or more other nonprofit charitable organizations or other organizations that serve the public good if the court finds there is good cause to approve such a distribution as part of a settlement.

(c) Judgment. A judgment in favor of the plaintiff in a class action that results in the creation of a common fund for the benefit of the class shall provide for the distribution of any residual funds to one or more eligible organizations.

(d) State and its political subdivisions. This Section does not apply to any class action lawsuit against the State of Illinois or any of its political subdivisions.

(e) Application. This Section applies to all actions commenced on or after the effective date of this amendatory Act

Public Act 095-0479

SB0486 Enrolled

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of the 95th General Assembly and to all actions pending on the effective date of this amendatory Act of the 95th General Assembly for which no court order has been entered preliminarily approving a proposed settlement for a class of plaintiffs.

Section 99. Effective date. This Act takes effect July 1, 2008.