

Date: October 3, 2007
Initiative No. 07-0043

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

CLASS ACTION LAWSUITS. STATUTE. Requires court to determine whether settlement of a class action lawsuit provides “meaningful relief” to class members. Limits settlements from releasing claims not covered by the lawsuit. Requires special justification for using discount coupons for future purchases as the primary relief to the class members. Requires twenty-five percent of punitive damages awarded in class action lawsuits be paid to the state instead of the class members to enforce laws promoting consumer, shareholder, pension, fire and police, insurance, and discrimination protections. Provides for methods of notice to class members.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Unknown fiscal impact on state revenues from court filing fees and the cost of court operations. Unknown net increase in state revenues, potentially up to the low tens of millions of dollars in some years, from providing a 25 percent share of punitive damage awards from class action cases to the state. (Initiative 07-0043.)