

HB 687-FN - AS INTRODUCED

2025 SESSION

25-0388

09/11

HOUSE BILL

687-FN

AN ACT relative to class action settlements and consent decrees.

SPONSORS: Rep. Corcoran, Hills. 28; Rep. Belcher, Carr. 4; Rep. Berry, Hills. 44; Rep. Granger, Straf. 2

COMMITTEE: Judiciary

ANALYSIS

This bill provides that any money that can ultimately not be distributed to the class in a class action suit is escheated to the state general fund, and a court may not modify the judgment or apply the doctrine of cy pres to avoid that result. This bill also limits certain attorneys' fees to a certain rate unless a court determines otherwise.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to class action settlements and consent decrees.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Short Title. This bill may be known as and cited to as "The Class Action Settlement and
2 Consent Decree Reform Act."

3 2 New Section; Judgments; Class Action Judgments. Amend RSA 524 by inserting after section
4 13 the following new section:

5 524:14 Class Action Judgments.

6 I. All money in a class action judgment which has not been distributed to members of the
7 class, or where it has become impossible to distribute such funds under the judgment, shall be
8 escheated to the state general fund. It is hereby prohibited to apply the doctrine of cy pres or to
9 otherwise alter the judgment to prevent this escheat.

10 II. No portion of a class action settlement or judgment shall include payment to entities
11 other than class members or to pay attorneys' fees.

12 3 New Paragraph; Attorneys' Fees for Services. Amend RSA 508:4-e by inserting after
13 paragraph III the following new paragraph:

14 IV. Attorneys' fee awards in class action lawsuits and lawsuits to obtain consent decrees are
15 limited to that as provided in the Laffey Matrix, unless the court determines otherwise.

16 4 Effective Date. This act shall take effect January 1, 2026.

HB 687-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to class action settlements and consent decrees.

FISCAL IMPACT:

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	Indeterminable Increase more than \$10,000 to \$100,000 or less per fiscal year		
Revenue Fund(s)	General Fund			
Expenditures*	\$0	Indeterminable Decrease more than \$10,000 to \$100,000 or less per fiscal year		
Funding Source(s)	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
Funding Source(s)	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill mandates that any undistributed or undistributable funds from a class action judgment must escheat to the General Fund explicitly prohibiting the use of the cy pres doctrine or any other mechanism to redirect these funds elsewhere. Additionally, the bill prevents any portion of a class action settlement or judgment from being allocated to entities other than class members or used for attorneys' fees. This bill also limits certain attorneys' fees to a certain rate unless a court determines otherwise.

This bill may increase revenue to the General Fund, by an indeterminable amount, by redirecting unclaimed or undistributable class action settlement funds. However, it could also discourage class action litigation due to limitations on attorneys' fees, potentially reducing the frequency of such cases and their associated settlements.

The Department of Justice states that it is assumed the Department would not play a direct role in enforcing this bill. However, the bill could result in some additional revenue, though the exact amount cannot be estimated, as it is unknown how many class actions would meet the bill's requirements. Additionally, the bill would lead to reduced attorney fees in litigation involving the state, as fees would be limited to those provided in the Laffey Matrix, unless the court

decides otherwise. This would decrease expenditures by approximately \$10,000 to \$100,000 or less. The increase in revenues is estimated to be in the range of \$10,000 to \$100,000 or less.

The Judicial Branch states it could see an increase in expenditures of no more than \$10,000 a year due to an increase in litigation.

AGENCIES CONTACTED:

Department of Justice and Judicial Branch