

BILL ANALYSIS

Senate Research Center

C.S.S.B. 274
By: Bivins
Economic Development
3/31/1999
Committee Report (Substituted)

DIGEST

Class actions lawsuits promote judicial economy and facilitate the efficient resolution of complex, mass claims. A trial court approves, under rules adopted by the Texas Supreme Court, a case as a class action. The court's decision can be appealed to the court of appeals, but as a result of this appeal process, several interpretations by the courts have become contradictory and confusing to litigants and lawyers. Authorizing the Supreme Court to hear the interlocutory appeals of class certification decisions would clarify the standards for class certification and ultimately save litigants from expensive discovery and pretrial proceedings in cases that may not properly be tried as class actions. Several more claims can also be settled as a class action, if the Supreme Court created a special type of class action that had less stringent standards than a trial class. Authorizing the Supreme Court to investigate the creation of a special class action could lead to the more efficient resolution of a large number of claims. C.S.S.B. 274 would authorize the Texas Supreme Court to establish certain class actions, and require interlocutory appeals of class certification decisions to be appealed by the Supreme Court, rather than the court of appeals.

PURPOSE

As proposed, C.S.S.B. 274 authorizes appeal of class action decisions to the Texas Supreme Court and authorizes the Texas Supreme Court to investigate authorization for special class actions.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Supreme Court in SECTION 1 (Section 22.015, Chapter 22A, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 22A, Government Code, by adding Section 22.015, as follows:

Sec. 22.015. CLASS ACTIONS. Authorizes the supreme court, by rule, to certify a class of persons different from a class that may have been certified for the purposes of litigating the action, for the purpose of settling an action.

SECTION 2. Amends Sections 22.225(b) and (d), Government Code, to provide that a judgment of a court of appeals is conclusive on the law and facts, and a review may not be granted by, rather than writ of error is not allowed from, the supreme court in certain civil cases. Provides that a review is allowed in, rather than a writ of error is allowed from, the supreme court for an appeal from an interlocutory order described by Sections 51.014(a)(3) or (6), rather than Section 51.014(6), Civil Practice and Remedies Code.

SECTION 3. Amends Section 51.014, Civil Practice and Remedies Code, by amending Subsection (b) and adding Subsection (c), to require an interlocutory appeal under Subsection (a) to have the effect of staying the commencement of a trial in a court pending resolution of the appeal, except as provided by Subsection (c). Requires an interlocutory appeal under Subsection (a)(3) to have the effect of staying all proceedings in the trial court pending resolution of the appeal.

SECTION 4. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 5. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Deletes proposed SECTION 1 regarding class actions involving jurisdiction of state agencies.

SECTION 2.

Amends Sections 22.225(b) and (d), Government Code, to provide that a judgment of a court of appeals is conclusive and a review may not be granted by, rather than writ of error is not allowed from, the supreme court in certain civil cases. Provides that a review is allowed in, rather than a writ of error is allowed from, the supreme court for certain appeals described by Sections 51.014(a)(3) and (6), rather than Section 51.014(6), Civil Practice and Remedies Code.

SECTION 3.

Amends Section 51.014, Civil Practice and Remedies Code, by amending Subsection (b) and adding Subsection (c), to require an interlocutory appeal under Subsection (a) to have the effect of staying the commencement of a trial in a court pending resolution of the appeal, except as provided by Subsection (c). Requires an interlocutory appeal under Subsection (a)(3) to have the effect of staying all proceedings in the trial court pending resolution of the appeal.

SECTIONS 4-5.

Redesignated from SECTIONS 5-6.