



# Ohio Legislative Service Commission

## Bill Analysis

Aida S. Montano

### H.B. 427

128th General Assembly  
(As Introduced)

**Reps.** Schneider and Sykes, Brown, DeGeeter, Dodd, Domenick, Phillips, Yuko

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## BILL SUMMARY

- Provides that it is the policy of Ohio, insofar as it is not inconsistent with federal law, that, except as otherwise provided by court order, all unpaid moneys remaining after the distribution to the members of the class of monetary awards in class actions must be used for charitable public purposes and distributed to charities, nonprofit organizations, and charitable programs selected in the action, approved by the court, and tax exempt under section 501(c)(3) of the Internal Revenue Code.

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## CONTENT AND OPERATION

### Unpaid moneys in class actions

The bill provides that it applies to an action maintained as a class action in which the settlement agreement or judgment includes a monetary award, including compensatory or punitive and exemplary damages, restitution, or any other payment of money due from each defendant to the members of the class.

It further provides that it is the policy of this state, insofar as it is not inconsistent with federal law, that, except as otherwise provided by court order, all unpaid moneys remaining after the distribution to the members of the class of monetary awards in class actions described in the preceding paragraph must be used for charitable public purposes. All of those unpaid moneys must be distributed to charities, nonprofit organizations, and charitable programs selected in the action and approved by the court. A charity, nonprofit organization, or charitable program must be exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," 26 U.S.C. 1, 100 Stat. 2085, as amended, in order to qualify as a recipient of the unpaid moneys under the bill. (R.C. 2315.50.)

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## HISTORY

ACTION

DATE

Introduced

01-28-10

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