

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0064S.04T  
Bill No.: Truly Agreed To and Finally Passed SS for SCS for SB 47  
Subject: Civil Procedure; Courts; Liability  
Type: Original  
Date: May 30, 2025

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Bill Summary: This proposal amends supreme court rule 52.08 relating to class actions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

\* Oversight assumes the unknown impact will be less than \$250,000 annually.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Section A – Modifies supreme court rule 52.08 relating to class actions**

Officials from the **Office of the State Courts Administrator (OSCA)** assume the Truly Agreed To and Finally Passed Senate Substitute for Senate Committee Substitute for Senate Bill 47 may have some impact on their organization but there is no way to quantify the amount at this time. Any significant changes will be reflected in future budget requests.

**Oversight** notes that after further inquiry into a response received to a previous version of this proposal, OSCA stated since the proposal affects actions of the courts in unanticipated ways, and there is not enough information to forecast if a potential cost could be absorbed, the fiscal impact is unknown. Therefore, since OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

<b><u>FISCAL IMPACT – State Government</u></b>	<b>FY 2026 (10 Mo.)</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>GENERAL REVENUE FUND</b>			
<u>Costs</u> – OSCA – costs related to changes to supreme court rule 52.08 on class actions lawsuits (Section A)	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act amends Supreme Court Rule 52.08 relating to class actions.

With certain exceptions, this act makes changes to mirror the Federal Rules of Civil Procedure. Further, the act provides that an order certifying a class action shall define the class and the class claims, issues, or defenses and shall appoint class counsel. An order that grants or denies class certification may be altered or amended before final judgment or may be combined with orders for actions taken at the case management conference.

Notices to class members for certain class actions may be by United States mail, electronic means, or other appropriate means. Additionally, the rule states that the notice shall clearly and concisely state in plain, easily understood language:

- (1) The nature of the action;
- (2) The definition of the class certified;
- (3) The class claims, issues, or defenses;
- (4) That a class member may enter an appearance through an attorney if the member so desires;
- (5) That the court will exclude from the class any member who requests exclusion;
- (6) The time and manner for requesting exclusion; and
- (7) The binding effect of a class judgment on members.

Currently, the rule provides that a class action shall not be dismissed or compromised without the approval of the court and notice of the proposed dismissal or compromise shall be given to all members of the class in such manner as the court directs. The rule repeals this provision and provides that the claims, issues, or defenses of a certified class, or a proposed class, may be settled, voluntarily dismissed, or compromised only with the court's approval. Furthermore, the rule states that the parties shall provide the court with information sufficient to enable it to determine whether to give notice of the proposal to the class and that the court shall direct notice in a reasonable manner to all class members who would be bound by the proposal if giving notice is justified by the parties' showing that the court will likely be able to approve the proposal and certify the class for purposes of judgment on the proposal.

If the proposal would bind class members, the court may approve it only after a hearing and only on finding that it is fair, reasonable, and adequate after considering whether:

- (1) The class representatives and class counsel have adequately represented the class;
- (2) The proposal was negotiated at arm's length;
- (3) The relief provided for the class is adequate, taking into account the costs, risks, and delay of trial and appeal, the effectiveness of any proposed method of distributing relief to the class, the terms of any proposed award of attorney's fees, and any agreement required to be identified by the rule; and
- (4) The proposal treats class members equitably relative to each other.

Additionally, the rule requires the parties seeking approval to file a statement identifying any agreement made in connection with the proposal. If the class action was previously certified, the court may refuse to approve a settlement unless it affords a new opportunity to request exclusion to individual class members who had an earlier opportunity to request exclusion but did not do so. Any class member may object to the proposal if it requires court approval and such objection shall state whether it applies only to the objector, to a specific subset of the class, or to the entire class. The grounds for the objection shall be specified. Unless approved by the court after a hearing, no payment or other consideration shall be provided in connection with forgoing or withdrawing an objection, or forgoing, dismissing, or abandoning an appeal from a judgment approving the proposal.

Unless a statute provides otherwise, the rule provides that a court certifying a class shall appoint class counsel and in appointing such counsel, the court shall consider:

- (1) The work that the counsel has done in identifying or investigating potential claims in the action;
- (2) The counsel's experience in handling class actions, other complex litigation, and the types of claims asserted in the action;
- (3) The counsel's knowledge of the applicable law; and
- (4) The resources that counsel will commit to representing the class.

Additionally, the court may consider any other matter pertinent to counsel's ability to fairly and adequately represent the interests of the class and may order potential class counsel to provide information on any subject pertinent to the appointment and to propose terms for attorney's fees and nontaxable costs. Furthermore, the court may include in the appointing order provisions about the award of attorney's fees or nontaxable costs and may make any further orders in connection with the appointment.

If more than one adequate applicant seeks appointment as class counsel, the court shall appoint the applicant best able to represent the interests of the class. Additionally, the rule provides that the court may designate interim counsel to act on behalf of a putative class before determining whether to certify the action as a class action. The rule requires that class counsel fairly and adequately represent the interests of the class.

In a certified class action, the court may award reasonable attorney's fees and nontaxable costs that are authorized by law or by the parties' agreement. The rule provides the following procedures for an award of fees and costs:

- (1) A claim for an award shall be made by motion at a time the court sets and notice of the motion shall be served on all parties and, for motions by class counsel, directed to class members in a reasonable manner;
- (2) A class member, or a party from whom payment is sought, may object to the motion;
- (3) The court may hold a hearing and shall find the facts and state its legal conclusions; and
- (4) The court may refer issues related to the amount of the award to a special master.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Attorney General's Office  
Office of the State Courts Administrator



Julie Morff  
Director  
May 30, 2025



Jessica Harris  
Assistant Director  
May 30, 2025