

ASSEMBLY BILL

No. 456

Introduced by Assembly Member John Campbell

February 20, 2001

An act to add Section 1033.6 to the Code of Civil Procedure, relating to attorney's fees.

LEGISLATIVE COUNSEL'S DIGEST

AB 456, as introduced, J. Campbell. Class actions: attorney's fees.

Existing law provides for class actions, as specified. Existing law also provides for the award of attorney's fees to a prevailing plaintiff, as specified.

This bill would limit attorney's fees to attorneys for prevailing plaintiffs in a class action against the state, any of its subdivisions, or a nonprofit organization or corporation, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to ensure that
2 class members in class actions are the true beneficiaries of a class
3 action suit, and receive at least 85 percent or more of the judgment,
4 arbitration award, or settlement amount, and in extremely
5 high-risk suits, no less than 85 percent.

6 SEC. 2. Section 1033.6 is added to the Code of Civil
7 Procedure, to read:

8 1033.6. In all class actions brought against the state or any of
9 its subdivisions, or against any organization or corporation

1 classified as nonprofit pursuant to the Revenue and Taxation Code,
2 the amount of attorney’s fees awarded or assigned to the prevailing
3 plaintiff attorneys shall be limited, as follows:
4 (a) Those attorney’s fees may not exceed one thousand dollars
5 (\$1,000) per hour, or 15 percent of the judgment, arbitration
6 award, or settlement amount, whichever is less.
7 (b) In deciding an appropriate amount, the judge, arbitrator, or
8 agreeing parties shall examine the attorney’s billable hours to
9 discern whether they are reasonable and necessary, and review any
10 prior settlement offers that may have been declined. If in the
11 judge’s or arbitrator’s opinion, the billable hours are not
12 reasonable or necessary, or if a reasonable settlement offer was
13 declined, the fee limit is a maximum of five hundred dollars (\$500)
14 per hour or 7.5 percent of the judgment, arbitration award, or
15 settlement, whichever is less.

