

S 274

Class Action Fairness Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: Senate

Policy Area: Law

Introduced: Feb 4, 2003

Current Status: By Senator Hatch from Committee on the Judiciary filed written report. Report No. 108-123. Minority

Latest Action: By Senator Hatch from Committee on the Judiciary filed written report. Report No. 108-123. Minority views filed. (Jul 31, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/senate-bill/274>

Sponsor

Name: Sen. Grassley, Chuck [R-IA]

Party: Republican • **State:** IA • **Chamber:** Senate

Cosponsors (22 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Carper, Thomas R. [D-DE]	D · DE		Feb 4, 2003
Sen. Chafee, Lincoln [R-RI]	R · RI		Feb 4, 2003
Sen. Hatch, Orrin G. [R-UT]	R · UT		Feb 4, 2003
Sen. Kohl, Herb [D-WI]	D · WI		Feb 4, 2003
Sen. Lugar, Richard G. [R-IN]	R · IN		Feb 4, 2003
Sen. Miller, Zell [D-GA]	D · GA		Feb 4, 2003
Sen. Specter, Arlen [R-PA]	R · PA		Feb 4, 2003
Sen. Chambliss, Saxby [R-GA]	R · GA		Feb 13, 2003
Sen. McConnell, Mitch [R-KY]	R · KY		Feb 13, 2003
Sen. Voinovich, George V. [R-OH]	R · OH		Feb 13, 2003
Sen. Sessions, Jeff [R-AL]	R · AL		Feb 14, 2003
Sen. Allen, George [R-VA]	R · VA		Mar 4, 2003
Sen. Domenici, Pete V. [R-NM]	R · NM		Mar 11, 2003
Sen. Ensign, John [R-NV]	R · NV		Mar 24, 2003
Sen. Cornyn, John [R-TX]	R · TX		Apr 1, 2003
Sen. Kyl, Jon [R-AZ]	R · AZ		Apr 2, 2003
Sen. Bunning, Jim [R-KY]	R · KY		Apr 7, 2003
Sen. Fitzgerald, Peter [R-IL]	R · IL		Apr 11, 2003
Sen. Hagel, Chuck [R-NE]	R · NE		May 21, 2003
Sen. Stevens, Ted [R-AK]	R · AK		Jun 10, 2003
Sen. Nickles, Don [R-OK]	R · OK		Jul 9, 2003
Sen. Sununu, John E. [R-NH]	R · NH		Jul 30, 2003

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	Senate	Reported By	Jun 2, 2003

Subjects & Policy Tags

Policy Area:

Law

Related Bills

Bill	Relationship	Last Action
108 S 2062	Related bill	Jul 8, 2004: Cloture not invoked in Senate by Yea-Nay Vote. 44 - 43. Record Vote Number: 154. (consideration: CR S7818-7819)
108 S 1751	Related bill	Oct 22, 2003: Cloture on the motion to proceed to the measure not invoked in Senate by Yea-Nay Vote. 59 - 39. Record Vote Number: 403.
108 HR 1115	Related bill	Jun 12, 2003: Received in the Senate and Read twice and referred to the Committee on the Judiciary.

Class Action Fairness Act of 2003 - (Sec. 3) Amends the Federal judicial code to prohibit a Federal district court from approving a proposed class action settlement under which: (1) members would receive non-cash benefits or would be required to expend funds in order to obtain proposed benefits, unless the court finds, after a hearing, that the settlement is fair, reasonable, and adequate; (2) any member is obligated to pay sums to class counsel that would result in a net loss to the member, unless the court finds that non-monetary benefits to the member outweigh the monetary loss; (3) greater sums would be paid to some class members than to others solely on the basis of their closer geographic proximity to the court; or (4) a greater share would be paid to a class representative than to other class members (with an exception for any court approved payment for reasonable time or costs for fulfilling representative obligations). Sets forth requirements for: (1) notices of class actions to class members, including a requirement that such notice include a summary written in plain, easily understood language of class member legal consequences, rights, and benefits, obligations of defendants, and attorney fees; and (2) notices of proposed settlements to be served upon appropriate State and Federal regulatory officials.

(Sec. 4) Grants Federal district courts original jurisdiction of any civil action in which the matter in controversy exceeds \$5 million, exclusive of interest and costs, and is a class action in which any member of a class of plaintiffs is: (1) a citizen of a State different from any defendant; (2) a foreign state or a citizen or subject of a foreign state and any defendant is a citizen of a State; or (3) a citizen of a State and any defendant is a foreign state or a citizen or subject of a foreign state.

Authorizes a district court to decline to exercise jurisdiction over a class action in which greater than one-third but less than two-thirds of the members of all proposed plaintiff classes in the aggregate and the primary defendants are citizens of the State in which the action was originally filed based on consideration of whether: (1) the claims asserted involve matters of national or interstate interest; (2) the claims asserted will be governed by laws other than those of the State in which the action was originally filed; (3) the class action has been pleaded in a manner that seeks to avoid Federal jurisdiction; (4) the number of citizens of the State in which the action was originally filed in all proposed plaintiff classes in the aggregate is substantially larger than the number of citizens from any other State, and the citizenship of the other members of the proposed class is dispersed among a substantial number of States; and (5) one or more class actions asserting the same or similar claims on behalf of the same or other persons have been or may be filed.

Provides that district courts shall not be granted jurisdiction over any class action in which: (1) two-thirds or more of the members of all proposed plaintiff classes in the aggregate and the primary defendants are citizens of the State in which the action was originally filed; (2) the primary defendants are States, State officials, or other governmental entities against whom the district court may be foreclosed from ordering relief; or (3) the number of members of all proposed plaintiff classes in the aggregate is less than 100.

Lists other exceptions, including class actions involving certain securities claims and claims involving the internal governance of a corporation that arise under the laws of the State of incorporation.

(Sec. 5) Sets forth provisions governing the removal of interstate class actions to U.S. district court. Permits removal by: (1) any defendant without the consent of all defendants; or (2) any plaintiff class member who is not a named or representative class member without the consent of all class members. Provides for review by appeal of orders remanding class actions to State courts.

(Sec. 6) Directs the Judicial Conference of the United States to report to the Senate and House Judiciary Committees on class action settlements, including recommendations for best court practices to ensure that settlements are fair to class members and that class members are the primary beneficiaries of the settlement, and that fees awarded to counsel

reflect the counsel's success in obtaining redress for injuries.

Actions Timeline

- **Jul 31, 2003:** By Senator Hatch from Committee on the Judiciary filed written report. Report No. 108-123. Minority views filed.
- **Jun 2, 2003:** Committee on the Judiciary. Reported by Senator Hatch with amendments. Without written report.
- **Jun 2, 2003:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 117.
- **Apr 11, 2003:** Committee on the Judiciary. Ordered to be reported with amendments favorably.
- **Feb 4, 2003:** Introduced in Senate
- **Feb 4, 2003:** Sponsor introductory remarks on measure. (CR S1873-1874)
- **Feb 4, 2003:** Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S1874-1876)

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