

HB 519 -- LITIGATION FINANCING CONSUMER PROTECTION ACT

SPONSOR: Schroer

This bill creates the "Litigation Financing Consumer Protection Act." A litigation financier shall not engage in litigation financing in this state unless he or she is registered and has filed an approved bond. The bill allows a consumer to assign a contingent right to the potential proceeds of a legal claim to obtain legal financing. The maximum interest rate a consumer shall pay for litigation financing is 17%. The bill also limits the annual fees that may be charged to the consumer, and provides that all such litigation financing transactions may not exceed a term of three years. The bill provides for certain disclosures that must be made in any litigation financing contract. The bill prohibits certain conduct by the litigation financier, including paying consideration to an attorney or medical provider, refer a consumer to any attorney or medical provider, or using false or misleading advertising.

This bill is similar to HB 2226 (2018).