

# HB0280S01 compared with HB0280

~~{Omitted text}~~ shows text that was in HB0280 but was omitted in HB0280S01

inserted text shows text that was not in HB0280 but was inserted into HB0280S01

**DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.**

1 **Third Party Litigation Funding Amendments**  
2026 GENERAL SESSION  
STATE OF UTAH  
**Chief Sponsor: James A. Dunnigan**  
Senate Sponsor:



2  
3 **LONG TITLE**

4 **General Description:**

5 This bill modifies ~~{the Maintenance Funding Practices Act}~~ provisions related to maintenance  
funding agreements.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ defines terms;
- 9 ▶ distinguishes between consumer maintenance funding agreements and commercial maintenance  
funding agreements;

11 ▶ requires maintenance funding providers to register with the Division of Consumer  
Protection;

- 11 ▶ extends the ~~{consumer's}~~ right of rescission for a consumer maintenance funding agreement;
- 12 ▶ ~~{restricts foreign investment;}~~
- 14 ▶ imposes disclosure requirements in connection with consumer and commercial  
maintenance funding agreements;

13 ▶

## HB0280 compared with HB0280S01

restricts ~~{specified}~~ certain relationships between ~~{an attorney}~~ attorneys and ~~{a}~~ maintenance funding ~~{provider}~~ providers;

- 14       ▶ ~~{provides that a funding provider is jointly and severally liable for an award or order imposing costs or monetary sanctions against a consumer related to the legal claim for which funding was provided;}~~
- 17       ▶ ~~{protects communications between a consumer's attorney and the consumer maintenance funding provider that ascertain a claim's status or an expected value from discovery;}~~
- 19       ▶ ~~{requires that a party disclose, without a discovery request, any commercial maintenance funding agreement where the commercial maintenance funding provider's compensation is contingent on the outcome of the legal claim;}~~
- 22       ▶ ~~{provides that a commercial}~~ prohibits maintenance funding ~~{agreement is admissible at trial}~~ arrangements involving foreign entities or persons of concern;
- 19       ▶ establishes priority and assignability provisions relating to maintenance funding interests;
- 23       ▶ restricts a commercial maintenance funding provider from ~~{making decisions, having influence, or}~~ directing ~~{the conduct, settlement, or resolution of a legal claim for which funding was provided; and}~~ or controlling litigation decisions;
- 22       ▶ requires disclosure of certain maintenance funding agreements in civil actions;
- 23       ▶ provides for enforcement, penalties, and rulemaking;
- 24       ▶ requires disclosure in civil proceedings; and
- 26       ▶ makes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**13-57-102** , as enacted by Laws of Utah 2020, Chapter 118

**13-57-201** , as enacted by Laws of Utah 2020, Chapter 118

**13-57-202** , as enacted by Laws of Utah 2020, Chapter 118

**13-57-203** , as enacted by Laws of Utah 2020, Chapter 118

**13-57-301** , as enacted by Laws of Utah 2020, Chapter 118

## HB0280 compared with HB0280S01

37 **13-57-302** , as enacted by Laws of Utah 2020, Chapter 118  
39 ~~{13-57-401, as enacted by Laws of Utah 2020, Chapter 118}~~  
40 ~~{13-57-402, as enacted by Laws of Utah 2020, Chapter 118}~~  
38 **13-57-501** , as enacted by Laws of Utah 2020, Chapter 118  
42 ~~{13-57-502, as enacted by Laws of Utah 2020, Chapter 118}~~  
43 ~~{13-57-503, as enacted by Laws of Utah 2020, Chapter 118}~~

39 ENACTS:

40 **13-57-504** , Utah Code Annotated 1953  
41 **13-57-505** , Utah Code Annotated 1953  
47 ~~{13-57-506, Utah Code Annotated 1953}~~  
42 **13-57-601** , Utah Code Annotated 1953  
49 ~~{13-57-602, Utah Code Annotated 1953}~~  
43 **78B-3-1301** , Utah Code Annotated 1953  
44 **78B-3-1302** , Utah Code Annotated 1953

---

---

45 REPEALS:

46 **13-57-101** , as enacted by Laws of Utah 2020, Chapter 118

---

---

48 *Be it enacted by the Legislature of the state of Utah:*

49 Section 1. Section **13-57-102** is amended to read:

50 **13-57-102. Definitions.**

As used in this chapter:

- 57 (1) "Business entity" means a sole proprietorship, partnership, limited partnership, limited liability  
company, corporation, or other entity or association used to carry on a business for profit.
- 60 (2)
- (a) "Commercial maintenance funding agreement" means a written agreement:
- 61 (i) whereby a third party agrees to provide funds to a named party {or a law firm} affiliated with a  
legal claim; and
- 63 (ii) that creates a direct or collateralized interest in the proceeds of a legal claim by settlement,  
verdict, judgment, or otherwise, which interest is based in whole or in part on a funding-based  
obligation to {an action or group of actions or the appearing counsel or } a {contractual co-  
counsel or the law firm of the counsel or co-counsel executed with: } legal claim.

## HB0280 compared with HB0280S01

- 68    ~~{(A) {an attorney representing a party;}} }~~  
69    ~~{(B) {a co-counsel in the litigation with a contingent fee interest in the representation of that party; or}~~  
      ~~}~~  
71    ~~{(C) {a third party that has a collateral-based interest in the contingency fees of the counsel or co-~~  
      ~~counsel firm related in whole or in part to the fees derived from representing that party.}}~~  
74    (b) "Commercial maintenance funding agreement" does not include:  
75    (i) a consumer maintenance funding agreement;  
76    (ii) an agreement between an attorney and a client for the attorney to provide legal services on a  
      contingency-fee basis or to advance the clients legal costs;  
78    (iii) a health insurance plan or agreement;  
79    (iv) a repayment agreement with a financial institution if the repayment is not contingent upon the  
      outcome of the legal claim;  
81    (v) a funding agreement to a nonprofit organization that represents a client on a pro bono basis; {or}  
83    (vi) an agreement of an assigned claim to prosecute an environmental contamination matter seeking  
      remediation of, or to recover the cost of remediating, a site that has been on the U.S. Environmental  
      Protection Agency's Superfund National Priorities List{-} ;  
74    (vii) an agreement between a health care provider and a patient to provide medical treatment on a lien if  
      the repayment is not contingent on the outcome of the legal claim; or  
77    (viii) an agreement between a third party and a party to a legal claim to provide funding for medical  
      treatment related to a legal claim on a lien if the repayment is not contingent upon the outcome of  
      the legal claim.  
87    (3)  
      (a) "Commercial maintenance funding provider" means a person that enters into {or offers to enter into  
      } a commercial maintenance funding agreement with a {plaintiff, a lawyer, or a law firm asserting-}  
      party to a legal claim {on behalf of a plaintiff} .  
90    (b) "Commercial maintenance funding provider" does not include a nonprofit organization exempt from  
      federal income tax under Section 501(c)(3) of the Internal Revenue Code.  
93    (4) "Consumer" means:  
94    (a) an individual who resides or is domiciled in the state;  
95    (b) an individual who is a plaintiff with a legal claim in the state; or  
96    (c) an estate for a decedent in a wrongful death claimin the state.

## HB0280 compared with HB0280S01

- 89 (5)
- 97 (5){(a)} "Consumer maintenance funding agreement" means a non-recourse transaction in which a consumer maintenance funding provider purchases contingent rights to receive an amount of the potential proceeds of a settlement, judgment, award, or verdict obtained in the consumer's legal claim, with funds paid directly to the consumer.
- 94 (b) "Consumer maintenance funding agreement" does not include:
- 95 (i) an agreement between a health care provider and a patient for providing medical treatment on a lien basis if repayment is not contingent on the outcome of the legal claim; or
- 98 (ii) an agreement between a third party and a party to a legal claim for providing funds for medical treatment related to the legal claim on a lien basis if repayment is not contingent on the outcome of the legal claim.
- 101 (6)
- (a) "Consumer maintenance funding provider" means a person that enters into a consumer maintenance funding agreement with a consumer.
- 103 (b) "Consumer maintenance funding provider" does not include:
- 104 (i) an immediate family member of a consumer;
- 105 (ii) an accountant providing accounting services to a consumer; {or}
- 106 (iii) an attorney providing legal services to a consumer{:}; or
- 107 {(2)}{(7)} a bank, lender, financing entity, or other special purpose entity:
- 108 (A) that provides financing to a consumer litigation funding company; or
- 109 (B) to which a consumer litigation funding company grants a security interest or transfers a right or interest in a consumer litigation funding agreement.
- 111 {(2)}{(7)} "Director" means the director of the Division of Consumer Protection.
- 108 {(3)}{(8)} "Division" means the Division of Consumer Protection of the Department of Commerce established in Section 13-2-1.
- 110 {(4)}{(9)} "Foreign country or person of concern" means:
- 111 (a) a foreign government or person listed in 15 C.F.R. Sec. 791.4; or
- 112 (b) an entity designated as a restricted foreign entity in accordance with Section 63L-13-101.
- 114 (10)
- (a) "Foreign entity of concern" means a partnership, association, corporation, organization, or other legal entity that:

## HB0280 compared with HB0280S01

- 116 (i) is organized or incorporated in a foreign country of concern;  
117 (ii) is owned or operated by a government, a political subdivision, or a political party of a foreign  
country of concern;  
119 (iii) has a principal place of business in a foreign country of concern; or  
120 (iv) a foreign organization owns, organizes, or controls that:  
121 (A) is on the federal Office of Foreign Assets Control specially designated nationals and blocked  
persons list; or  
123 (B) the United States Secretary of State designates as a foreign terrorist organization.  
125 (b) "Foreign entity of concern" includes an individual that owns, has a controlling interest in, or is a  
director or senior officer of any entity that falls within Subsection (10)(a).  
128 (11) "Health care provider" means the same as that term is defined in Section 78B-3-403.  
129 [(5) "Individual" means a person who:]  
130 [(a) resides in this state; and]  
131 [(b) has or may have a pending legal action in this state.]  
132 [(6) "Legal funding" means a payment of \$500,000 or less to an individual in exchange for the right  
to receive an amount out of the potential proceeds of any realized settlement, judgment, award, or  
verdict the individual may receive in a civil legal action.]  
135 [(7) "Maintenance funding agreement" means an agreement between an individual and a maintenance  
funding provider under which the maintenance funding provider provides legal funding to the  
individual.]  
138 [(8)  
(a) "Maintenance funding provider" means a business entity that engages in the business of legal  
funding-]  
140 [(b) "Maintenance funding provider" does not include:]  
141 [(i) an immediate family member of an individual;]  
142 [(ii) an accountant providing accounting services to an individual; or]  
143 [(iii) an attorney providing legal services to an individual.]  
144 (12) "Maintenance funding provider" means a consumer maintenance funding provider or a commercial  
maintenance funding provider.

150 Section 2. Section **13-57-201** is amended to read:

151 **13-57-201. Maintenance funding provider registration and registration renewal.**

## HB0280 compared with HB0280S01

- 148 ~~[(1) {f} Except as provided in Subsection (4), a business entity- { } A person ] may not act as a~~  
149 ~~maintenance funding provider in this state without registering with the division.]~~
- 154 (1)
- 155 (a) A person may not act as a consumer maintenance funding provider in this state without registering  
156 with the division.
- 157 (b) A person who regularly engages as a commercial maintenance funding provider may not act as a  
158 commercial maintenance funding provider in this state without registering with the division.
- 159 (2) To register as a maintenance funding provider, a ~~[business entity]~~ person shall submit to the division  
160 an application for registration:
- 161 (a) in the manner the division determines; and
- 162 (b) that includes:
- 163 (i) an application fee in an amount determined by the division in accordance with Sections 13-1-2 and  
164 63J-1-504; and
- 165 (ii) anything else the division requires as established in rule made in accordance with Title 63G,  
166 Chapter 3, Utah Administrative Rulemaking Act.
- 167 (3) Each year a maintenance funding provider shall renew the maintenance funding provider's  
168 registration by submitting to the division an application for registration renewal:
- 169 (a) in the manner the division determines; and
- 170 (b) that includes:
- 171 (i) an application fee in an amount determined by the division in accordance with Sections 13-1-2 and  
172 63J-1-504; and
- 173 (ii) anything else the division requires as established in rule made in accordance with Title 63G,  
174 Chapter 3, Utah Administrative Rulemaking Act.
- 175 ~~[(4) A business entity who acts as a maintenance funding provider in the state between May 12, 2019,~~  
176 ~~and May 12, 2020, is permitted to continue to act as a maintenance funding provider:]~~
- 177 ~~[(a) if the person:]~~
- 178 ~~[(i) applies for registration in accordance with this section; and]~~
- 179 ~~[(ii) complies with the requirements of this chapter; and]~~
- 180 ~~[(b) until the division makes a determination regarding the person's application for registration under~~  
181 ~~this section.]~~
- 182 Section 3. Section **13-57-202** is amended to read:

## HB0280 compared with HB0280S01

- 185           **13-57-202. Consumer maintenance funding provider operations.**
- 177           (1) A consumer maintenance funding provider may only provide legal funding to ~~[an individual]~~ a consumer if the ~~[maintenance funding]~~ consumer maintenance funding provider and the ~~[individual]~~ consumer enter into a consumer maintenance funding agreement that meets the requirements of Section 13-57-301.
- 181           (2) Before executing a consumer maintenance funding agreement, a consumer maintenance funding provider shall file with the division a template of the consumer maintenance funding agreement.
- 184           (3) A consumer maintenance funding provider may not:
- 185           (a) pay or offer to pay a commission, referral fee, or any other form of consideration to the following for referring ~~[an individual]~~ a consumer to the consumer maintenance funding provider:
- 188           (i) an attorney authorized to practice law;
- 189           (ii) a health care provider; or
- 190           (iii) an employee, independent contractor, or other person affiliated with a person described in Subsection (3)(a)(i) or (ii);
- 192           (b) accept a commission, referral fee, or any other form of consideration from a person described in Subsection (3)(a) for referring ~~[an individual]~~ a consumer to the person;
- 194           (c) refer ~~[an individual]~~ a consumer or potential ~~[individual]~~ consumer to a person described in Subsection (3)(a), unless the referral is to a local or state bar association referral service;
- 197           (d) intentionally advertise materially false or misleading information about the consumer maintenance funding provider's services;
- 199           (e) make or attempt to influence a decision relating to the conduct, settlement, or resolution of a legal action for which the maintenance funding provider provides legal funding; ~~[or]~~
- 202           (f) knowingly pay or offer to pay court costs, filing fees, or attorney fees using legal funding~~[-]~~; or
- 204           (g) attempt to obtain a waiver of a remedy or right from the consumer, including the right to trial by jury.
- 206           (4) A consumer maintenance funding provider shall provide ~~[an individual]~~ a consumer who enters a consumer maintenance funding agreement a copy of the executed consumer maintenance funding agreement.
- 209           ~~(5)~~
- (a) An attorney or law firm that the consumer retains may not have a financial interest in the consumer maintenance funding provider offering maintenance funding to the consumer.

## HB0280 compared with HB0280S01

- 212 (b) An attorney who refers the consumer to an attorney or law firm that the consumer retains may  
not have a financial interest a consumer maintenance funding provider that offers a consumer  
215 maintenance funding agreement to the consumer.
- (6) The attorney or law firm that the consumer retains may only disclose privileged information to the  
218 consumer maintenance funding provider with the written consent of the consumer.
- (7) A consumer maintenance funding provider may not enter into a consumer maintenance funding  
agreement directly or indirectly with a foreign entity of concern or a foreign country or person of  
concern.

230 Section 4. Section **13-57-203** is amended to read:

231 **13-57-203. Annual reports.**

- 223 (1) On or before April 1 of each year, a maintenance funding provider registered in accordance with  
Section 13-57-201 shall file a report:
- 225 (a) under oath;
- 226 (b) with the director; and
- 227 (c) in a form the director prescribes.
- 228 (2) The report described in Subsection (1) shall include, for the preceding calendar year:
- 229 (a) the number of consumer maintenance funding agreements and commercial maintenance funding  
agreements entered into by the maintenance funding provider;
- 231 (b) the total dollar amount of [~~legal~~]funding the maintenance funding provider provided;
- 232 (c) the total dollar amount of charges under each consumer maintenance funding agreement and each  
commercial maintenance funding agreement, itemized and including the annual rate of return;
- 235 (d) the total dollar amount and number of [~~maintenance~~]funding transactions in which the realized  
profit to the [~~company~~] maintenance funding provider was as contracted[~~in the maintenance~~  
~~funding agreement~~];
- 238 (e) the total dollar amount and number of [~~maintenance~~]funding transactions in which the realized  
profit to the [~~company~~] maintenance funding provider was less than contracted; and
- 241 (f) any other information the director requires concerning the maintenance funding provider's business  
or operations in the state.

252 Section 5. Section **13-57-301** is amended to read:

253 **13-57-301. Consumer maintenance funding agreements.**

- 245 (1) A consumer maintenance funding agreement shall:

## HB0280 compared with HB0280S01

- 246 (a) be in writing;
- 247 (b) be written in a clear and coherent manner using words with common, everyday meanings so that the average consumer, who makes a reasonable effort under ordinary circumstances {to}, can read and understand the terms of the consumer maintenance funding agreement without requiring the assistance of a professional;
- 251 (c) be complete before the consumer signs the consumer maintenance funding agreement;
- 253 ~~(b)~~ (d) contain a right of rescission permitting the ~~[individual]~~ consumer to cancel the ~~[agreement]~~ consumer maintenance funding agreement without penalty or further obligation, if the ~~[individual]~~ consumer returns to the consumer maintenance funding provider the full amount of the disbursed funds:
- 257 (i) within ~~[five]~~ 10 business days after the day on which the ~~[individual]~~ consumer and consumer maintenance funding provider enter the agreement; and
- 259 (ii)
- (A) in person by delivering the consumer maintenance funding provider's uncashed check to the consumer maintenance funding provider's office; or
- 261 (B) by insured, certified, or registered United States mail to the address specified in the consumer maintenance funding agreement in the form of the consumer maintenance funding provider's uncashed check or a registered or certified check or money order;
- 265 ~~(e)~~ (e) contain the disclosures described in Section 13-57-302;
- 266 ~~(f)~~ (f) include the amount of money the consumer maintenance funding provider provides to the ~~[individual]~~ consumer;
- 268 ~~(e)~~ (g) include an itemization of one-time charges;
- 269 ~~(f)~~ (h) include a payment schedule that:
- 270 (i) includes the funded amount and all charges; and
- 271 (ii) lists the total amount of any realized settlement, judgment, award, or verdict to be paid to the consumer maintenance funding provider at the end of each six-month period, if the ~~[contract]~~ consumer maintenance funding agreement is satisfied during that ~~{period}~~ period;
- [and]
- 275 ~~(g)~~ (i) include a provision that the consumer maintenance funding agreement includes no charge or fee other than the charges and fees disclosed in the ~~[maintenance funding-]~~ agreement; [and]
- 278 ~~(h)~~ (j) include a provision that:

## HB0280 compared with HB0280S01

- 279 (i) if there are no available proceeds from the legal action, the ~~[individual]~~ consumer will owe the  
consumer maintenance funding provider nothing; and
- 281 (ii) the consumer maintenance funding provider's total charges will be paid only to the extent there are  
available proceeds from the legal action after the settlement of all liens, fees, and other costs~~[-]~~ ; and
- 284 (k) if the consumer seeks more than one consumer maintenance funding agreement from the same  
company, a disclosure providing the cumulative amount due from the consumer for all transactions,  
including charges under all consumer maintenance funding agreements, if repayment is made any  
time after the consumer maintenance funding agreements are executed.
- 289 (2) A consumer maintenance funding agreement may not require ~~[an individual]~~ a consumer to make a  
payment to the consumer maintenance funding provider in an amount determined as a percentage of  
the recovery from the legal action.
- 292 (3)
- (a) ~~{The}~~ A consumer maintenance funding agreement ~~{shall contain}~~ is not valid unless the  
agreement includes a written ~~{acknowledgment}~~ certification signed by the consumer's attorney  
stating that ~~{attests}~~ :
- 294 (i) the consumer's attorney has reviewed the mandatory disclosures in Section 13-57-302 with the  
consumer;
- 296 (ii) the consumer's attorney ~~{is being paid}~~ represents the consumer in the legal claim on a  
contingency fee basis in accordance with a written fee agreement;
- 298 (iii) the consumer's attorney will receive and disburse all proceeds of the legal claim ~~{will be~~  
disbursed through either} through the attorney's trust account ~~{of the attorney}~~ or a settlement  
fund established ~~{to receive}~~ for the ~~{proceeds}~~ benefit of the ~~{legal claim on the consumer's~~  
behalf} consumer;
- 301 (iv) the ~~{attorney is obligated to}~~ consumer's attorney will disburse funds ~~{from}~~ in accordance  
with the ~~{legal claim and ensure that the}~~ terms of the consumer maintenance funding  
agreement ~~{are fulfilled}~~ ;
- 303 (v) the consumer's attorney has not received and will not receive a referral fee or other  
consideration from the consumer maintenance funding provider in connection with the  
~~{maintenance funding, nor will the attorney receive a referral fee or other consideration for the~~  
referral in the future} agreement; and
- 307

## HB0280 compared with HB0280S01

(vi) the consumer's attorney {~~in the legal claim~~} has not provided {~~no~~} tax advice, public or private benefit planning advice, or financial advice to the consumer regarding {~~this transaction~~} the agreement.

309 (b) Subsection (3)(a) applies to a new attorney or law firm that the consumer retains.

310 (4)

(a) {~~the~~} The consumer maintenance funding agreement is null and void if the attorney or law firm that the consumer retains does not provide the acknowledgment Subsection (3) requires.

313 (b) The consumer maintenance funding agreement remains valid and enforceable if the consumer terminates an attorney or law firm that the consumer retains.

315 (5) A consumer maintenance funding provider may not charge or collect a prepayment penalty or fee.

325 Section 6. Section **13-57-302** is amended to read:

326 **13-57-302. Required disclosures.**

320 {~~(1) In a legal claim in which a plaintiff enters into a consumer maintenance funding agreement, the plaintiff or the plaintiff's attorney shall provide to each of the other parties, and each insurer that has a duty to defend another party, written notice that the plaintiff has entered into a consumer maintenance funding agreement.~~}

324 {~~(2) In a legal claim in which a plaintiff enters into a consumer maintenance funding agreement, the contents of the consumer maintenance funding agreement are subject to discovery under the Utah Rules of Civil Procedure and Evidence.~~}

327 {~~(3)~~}

{~~(a) A plaintiff or a plaintiff's attorney shall provide the written notice Subsection (1) requires within 20 days after the day on which the consumer maintenance funding agreement is fully executed.~~}

330 {~~(b) The disclosure obligation Subsection (1) requires is a continuing obligation.~~}

331 {~~(4) {The written notice Subsection (1) requires is not admissible as evidence in a court proceeding.~~}

333 {~~(5)~~}

A consumer maintenance funding provider shall disclose in a consumer maintenance funding agreement:

329 (1)

335 {~~(1)(a)~~} that the consumer maintenance funding provider may not participate in deciding whether, when, or the amount for which a legal action is settled;

337

## HB0280 compared with HB0280S01

{(2){+} {(b)+} that the maintenance funding provider may not interfere with the independent professional judgment of the attorney handling the legal action or any settlement of the legal action;

340 {(3){+} {(e)+} the following statement in substantially the following form, in all capital letters and at least a 12-point type: "THE FUNDED AMOUNT AND AGREED-TO CHARGES SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM, AND SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE (INSERT NAME OF THE CONSUMER MAINTENANCE FUNDING PROVIDER HERE) ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM, UNLESS YOU HAVE VIOLATED A MATERIAL TERM OF THIS AGREEMENT OR YOU HAVE COMMITTED FRAUD AGAINST THE CONSUMER MAINTENANCE FUNDING PROVIDER.";

350 {(4){+} {(d)+} in accordance with Section 13-57-301, the following statement in substantially the following form and at least a 12-point type: "CONSUMER'S RIGHT TO CANCELLATION: You may cancel this agreement without penalty or further obligation within [five] 10 business days after the day on which you enter into this agreement with the consumer maintenance funding provider if you either: 1. return to the consumer maintenance funding provider the full amount of the disbursed funds by delivering the consumer maintenance funding provider's uncashed check to the consumer maintenance funding provider's office in person; or 2. send, by insured, certified, or registered United States mail, to the consumer maintenance funding provider at the address specified in this agreement, a notice of cancellation and include in the mailing a return of the full amount of disbursed funds in the form of the consumer maintenance funding provider's uncashed check or a registered or certified check or money order"; and

363 {(5){+} {(e)+} immediately above the line for the [individual's] consumer's signature, the following statement in at least a 12-point type: "Do not sign this agreement before you read it completely or if it contains any blank spaces. You are entitled to a completed copy of the agreement. Before you sign this agreement, you should obtain the advice of an attorney. Depending on your circumstances, you may want to consult a tax, benefits planning, or financial professional."

369 ~~{Section 7. Section 13-57-401 is amended to read: }~~

370 **13-57-401. Rulemaking.**

The division shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to:

## HB0280 compared with HB0280S01

- 373 (1) establish an application process for a business entity to register with the division as a consumer  
maintenance funding provider, in accordance with Section 13-57-201;
- 375 (2) establish a filing process for a consumer maintenance funding provider to file a consumer  
maintenance funding agreement with the division;
- 377 (3) establish a filing process for annual reports required under Section 13-57-203; and
- 378 (4) carry out the provisions of this chapter.

379 ~~{Section 8. Section 13-57-402 is amended to read: }~~

### 380 **13-57-402. Public education regarding legal funding -- Reporting to Legislature.**

381 [(1)] The director shall help educate the general public regarding legal funding in the state by:

383 [(a)] (1) analyzing and summarizing data consumer maintenance funding providers submit under  
Section 13-57-203; and

385 [(b)] (2) publishing the analysis and summary described in Subsection (1)(a) on the division's web page.

387 [(2) Before October 1, 2022, the director shall report to the Business and Labor Interim Committee  
on the status of legal funding in the state and make any recommendation the director decides is  
necessary to improve the regulatory framework of legal funding, including a recommendation on  
whether to limit charges a maintenance funding provider may impose under a maintenance funding  
agreement.]

363 Section 7. Section **13-57-501** is amended to read:

### 364 **13-57-501. Enforceability.**

If a {consumer} maintenance funding provider willfully violates a provision of this chapter, a  
{consumer} maintenance funding agreement associated with the violation is unenforceable by  
the

{consumer} maintenance funding provider or any successor-in-interest to the {consumer}  
maintenance funding  
agreement.

398 ~~{Section 10. Section 13-57-502 is amended to read: }~~

### 399 **13-57-502. Penalties -- Enforcement.**

400 (1) After notice and an opportunity for an administrative hearing in accordance with Title 63G,  
Chapter 4, Administrative Procedures Act, the division may, in addition to exercising the division's  
enforcement powers under Section 13-2-6, enforce the provisions of this chapter by:

404 (a) revoking or suspending a consumer maintenance funding provider's registration;

## HB0280 compared with HB0280S01

- 405 (b) ordering a consumer maintenance funding provider to cease and desist from further legal funding;  
407 (c) imposing a penalty of up to:  
408 (i) \$1,000 per violation; or  
409 (ii) \$10,000 per violation that the division finds willful; or  
410 (d) ordering the consumer maintenance funding provider to make restitution to ~~[an individual]~~ a  
consumer.

- 412 (2) The division's enforcement powers under this section and Section 13-2-6 do not affect ~~[an~~  
~~individual's]~~ a consumer's legal claim against a consumer maintenance funding provider.

415 ~~{Section 11. Section 13-57-503 is amended to read: }~~

### 416 **13-57-503. Applicability.**

The requirements of this chapter for a consumer maintenance funding provider do not  
apply to:

- 419 (1) a bank while in the course of conducting a banking business as described in Section 7-3-1;  
421 (2) a deferred deposit lender, as defined in Section 7-23-102, while engaged in the business of deferred  
deposit lending;  
423 (3) a title lender, as defined in Section 7-24-102, while engaged in the business of extending a title loan;  
or  
425 (4) a creditor, as defined in Section 70C-1-302, subject to the provisions of Title 70C, Utah Consumer  
Credit Code.

369 Section 8. Section **8** is enacted to read:

### 370 **13-57-504. Assignability -- Liens.**

- 429 (1) The contingent right to receive an amount of the potential proceeds of a legal claim is assignable by  
a {consumer} party to a {consumer} maintenance funding provider.  
431 (2) Only attorney's liens related to the legal claim that is the subject of the {consumer} maintenance  
funding or Medicare or other statutory liens related to the legal claim take priority over a lien of the  
{consumer} maintenance funding provider.

376 Section 9. Section **9** is enacted to read:

### 377 **13-57-505. Effect of communication on privileges.**

Communications between {a consumer's} an attorney and a {consumer} maintenance funding  
provider to allow the

## HB0280 compared with HB0280S01

~~{ provider to allow the consumer }~~ maintenance funding provider to ascertain the status of a legal claim or a legal claim's

~~{ claim or a legal claims }~~ expected value are not discoverable by a person against whom the party asserts or files the

~~{ consumer asserts or files the }~~ claim.

440 Section 14. Section **14** is enacted to read:

441 **13-57-506. Joint and several liability for costs.**

A maintenance funding provider is jointly and severally liable for any award or order imposing or assessing costs or monetary sanctions against a consumer or a party's legal representative arising from or relating to any civil proceeding, administrative proceeding, claim, or cause of action for which the maintenance funding provider is providing funding.

382 Section 10. Section **10** is enacted to read:

383 **13-57-601. Commercial maintenance funding prohibitions.**

~~{ 6. Commercial Maintenance Funding }~~

449 (1) A commercial maintenance funding provider may not enter into a commercial maintenance funding agreement directly or indirectly with a foreign entity of concern or a foreign country or person of concern.

452 (2) A party, an attorney, or a law firm for a party shall not disclose or share any documents or information subject to a court order to seal or protect { is issued } that the court issues in the course of the civil proceeding with a commercial maintenance funding provider, unless a court order specifically allows a commercial maintenance funding provider to have access to such documents or information.

455 (3)

(a) A commercial maintenance funding provider may not ~~{ make a decision, }~~ direct, or have ~~{ influence }~~ a contractual right to control, ~~{ or direct }~~ the ~~{ plaintiff }~~ party or the ~~{ plaintiff's }~~ party's attorney ~~{ with respect to the conduct of the underlying legal claim or a settlement or resolution of the legal claim, or make a decision }~~ with respect to the conduct of the underlying legal claim or a settlement or resolution of the legal claim.

460 (b) The right to make the decisions Subsection (3)(a) describes { remains } remains solely with the { plaintiff } party and the ~~{ plaintiff's }~~ party's attorney in the civil proceeding.

462 Section 16. Section **16** is enacted to read:

## HB0280 compared with HB0280S01

463 **13-57-602. Disclosure of a commercial maintenance funding agreement.**

464 (1)

(a) Except as otherwise stipulated or ordered by the court, without awaiting a discovery request, a party or a party's counsel shall provide to the other parties any agreement in which a commercial maintenance funding provider has a right to receive compensation that is contingent on the outcome of the legal claim.

468 (b) The disclosure obligation Subsection (1)(a) requires is a continuing obligation.

469 (2) A commercial maintenance funding agreement is admissible as evidence in a court proceeding.

471 (3) A plaintiff or the plaintiff's attorney shall provide the agreement Subsection (1) requires within 20 days after the day on which the parties execute the commercial maintenance funding agreement.

397 Section 11. Section 11 is enacted to read:

### 398 **Part 13. Consumer Maintenance Funding Agreements**

#### **and Commercial Maintenance Funding Agreements**

400 **78B-3-1301. Definitions.**

401 (1) "Commercial maintenance funding agreement" means the same as that term is defined in Section 13-57-102.

403 (2) "Commercial maintenance funding provider" means the same as that term is defined in Section 13-57-102.

405 (3) "Consumer" means the same as that term is defined in Section 13-57-102.

406 (4) "Consumer maintenance funding agreement" means the same as that term is defined in Section 13-57-102.

408 (5) "Consumer maintenance funding provider" means the same as that term is defined in Section 13-57-102.

410 (6) "Foreign country or person of concern" means the same as that term is defined in Section 13-57-102.

412 (7) "Foreign entity of concern" means the same as that term is defined in Section 13-57-102.

413 (8) "Funding agreement" means a consumer maintenance funding agreement or a commercial maintenance funding agreement.

415 (9) "Funding provider" means a consumer maintenance funding provider or a commercial maintenance funding provider.

## HB0280 compared with HB0280S01

417 Section 12. Section 12 is enacted to read:

418 **78B-3-1302. Disclosure of a consumer maintenance funding agreement and commercial**  
419 **maintenance funding agreement.**

420 (1)

(a) In a legal claim in which a party enters into a funding agreement, the party shall provide a certificate along with the party's initial disclosures to each of the other parties with the following information:

423 (i) the identity of all contracting parties to the funding agreement, including the name, address, and, if a party is a legal entity, the place of formation of such entity;

426 (ii) whether the funding agreement grants a funding provider control or approval rights with respect to a legal claim or otherwise has the potential to create conflicts of interest between the funder and the party, and if the agreement does grant such control or approval rights, the nature of the terms and conditions relating to such control or approval rights;

431 (iii) whether the funding agreement grants a funding provider the right to receive materials designated as confidential pursuant to a protective or confidentiality agreement or order in the legal claim;

434 (iv) the existence of any known relationship between a funding provider and the adverse party, the adverse party's counsel, or the court;

436 (v) a description of the nature of the financial interest; and

437 (vi) whether any foreign country or person of concern or foreign entity of concern is providing funding, directly or indirectly, for the funding agreement and, if so, the name, address, and country of incorporation or registration of that foreign country or person of concern or foreign entity of concern.

441 (b) If a party was not subject to a funding agreement at the time of filing the party's initial disclosures but becomes subject to a funding agreement during litigation, the party shall serve a certificate, as provided for in Subsection (1)(a), to the other parties within fourteen days after entering the funding agreement.

445 (2) For good cause shown, a party shall provide to the court, for in camera review, any funding agreement within 30 days after commencement of a legal action or 30 days after execution of the funding agreement, whichever is later.

448 (3) The certificate that Subsection (1)(a) requires is not admissible as evidence in a court proceeding.

450 Section 13. **Repealer.**

## HB0280 compared with HB0280S01

This Bill Repeals:

- 451            This bill repeals:  
452            Section **13-57-101, Title.**  
453            Section 14. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

2-13-26 9:30 PM