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restricts a commercial maintenance funding provider from directing 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 }~~
- 23 ▶ provides a coordination clause to substantively and technically coordinate changes between
25 ▶ this bill and S.B. 38, Consumer Protection Modifications, and
26 ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

27 None

Other Special Clauses:

29 This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

32 **13-57-102** , as enacted by Laws of Utah 2020, Chapter 118

33 **13-57-201** , as enacted by Laws of Utah 2020, Chapter 118

34 **13-57-202** , as enacted by Laws of Utah 2020, Chapter 118

35 **13-57-203** , as enacted by Laws of Utah 2020, Chapter 118

36 **13-57-301** , as enacted by Laws of Utah 2020, Chapter 118

37 **13-57-302** , as enacted by Laws of Utah 2020, Chapter 118

38 **13-57-501** , as enacted by Laws of Utah 2020, Chapter 118

ENACTS:

40 **13-57-504** , Utah Code Annotated 1953

41 ~~{13-57-505, Utah Code Annotated 1953}~~

41 **13-57-601** , Utah Code Annotated 1953

43 ~~{78B-3-1301, Utah Code Annotated 1953}~~

44 ~~{78B-3-1302, Utah Code Annotated 1953}~~

REPEALS:

43 **13-57-101** , as enacted by Laws of Utah 2020, Chapter 118

Utah Code Sections affected by Coordination Clause:

44 **13-57-201** , as enacted by Laws of Utah 2020, Chapter 118

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46 **13-57-202 (05/06/26)** , as enacted by Laws of Utah 2020, Chapter 118

47 **13-57-203** , as enacted by Laws of Utah 2020, Chapter 118

48

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

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

51 **13-57-102. Definitions.**

As used in this chapter:

52 (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.

55 (2)

(a) "Commercial maintenance funding agreement" means a written agreement:

56 (i) whereby a third party agrees to provide funds to a named party affiliated with a legal claim; and

58 (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 a legal claim.

61 (b) "Commercial maintenance funding agreement" does not include:

62 (i) a consumer maintenance funding agreement;

63 (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;

65 (iii) a health insurance plan or agreement;

66 (iv) a repayment agreement with a financial institution if the repayment is not contingent upon the
outcome of the legal claim;

68 (v) a funding agreement to a nonprofit organization that represents a client on a pro bono basis;

70 (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.

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80 (3)

(a) "Commercial maintenance funding provider" means a person that enters into a commercial maintenance funding agreement with a party to a legal claim.

82 (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.

85 (4) "Consumer" means:

86 (a) an individual who resides or is domiciled in the state;

87 (b) an individual who is a plaintiff with a legal claim in the state; or

88 (c) an estate for a decedent in a wrongful death claim in the state.

89 (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;

106 (iii) an attorney providing legal services to a consumer; or

107 (iv) 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.

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- 111 ~~[(2)]~~ (7) "Director" means the director of the Division of Consumer Protection.
- 112 ~~[(3)]~~ (8) "Division" means the Division of Consumer Protection of the Department of Commerce
established in Section 13-2-1.
- 114 ~~[(4)]~~ (9) "Foreign country or person of concern" means:
- 115 (a) a foreign government or person listed in 15 C.F.R. Sec. 791.4; or
- 116 (b) an entity designated as a restricted foreign entity in accordance with Section 63L-13-101.
- 118 (10)
- (a) "Foreign entity of concern" means a partnership, association, corporation, organization, or other
legal entity that:
- 120 (i) is organized or incorporated in a foreign country of concern;
- 121 (ii) is owned or operated by a government, a political subdivision, or a political party of a foreign
country of concern;
- 123 (iii) has a principal place of business in a foreign country of concern; or
- 124 (iv) a foreign organization owns, organizes, or controls that:
- 125 (A) is on the federal Office of Foreign Assets Control specially designated nationals and blocked
persons list; or
- 127 (B) the United States Secretary of State designates as a foreign terrorist organization.
- 129 (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).
- 132 (11) "Health care provider" means the same as that term is defined in Section 78B-3-403.
- 133 ~~[(5) "Individual" means a person who:]~~
- 134 ~~[(a) resides in this state; and]~~
- 135 ~~[(b) has or may have a pending legal action in this state.]~~
- 136 ~~[(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.]~~
- 139 ~~[(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.]~~
- 142 ~~[(8)~~

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(a) "~~Maintenance funding provider~~" means a business entity that engages in the business of legal funding.]

144 [(b) "~~Maintenance funding provider~~" does not include:]

145 [(i) an immediate family member of an individual;]

146 [(ii) an accountant providing accounting services to an individual; or]

147 [(iii) an attorney providing legal services to an individual.]

148 (12) "Maintenance funding provider" means a consumer maintenance funding provider or a commercial maintenance funding provider.

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

153 **13-57-201. Maintenance funding provider registration and registration renewal.**

152 [(1) Except as provided in Subsection (4), a business entity may not act as a maintenance funding provider in this state without registering with the division.]

154 (1)

(a) A person may not act as a consumer maintenance funding provider in this state without registering with the division.

156 (b) A person who regularly engages as a commercial maintenance funding provider may not act as a 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 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 63J-1-504; and

165 (ii) anything else the division requires as established in rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

167 (3) Each year a maintenance funding provider shall renew the maintenance funding provider's registration by submitting to the division an application for registration renewal:

170 (a) in the manner the division determines; and

171 (b) that includes:

172 (i) an application fee in an amount determined by the division in accordance with Sections 13-1-2 and 63J-1-504; and

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- 174 (ii) anything else the division requires as established in rule made in accordance with Title 63G,
Chapter 3, Utah Administrative Rulemaking Act.
- 176 [~~(4) A business entity who acts as a maintenance funding provider in the state between May 12, 2019,
and May 12, 2020, is permitted to continue to act as a maintenance funding provider:~~]
- 179 [~~(a) if the person:~~]
- 180 [~~(i) applies for registration in accordance with this section; and]~~
- 181 [~~(ii) complies with the requirements of this chapter; and]~~
- 182 [~~(b) until the division makes a determination regarding the person's application for registration under
this section.~~]
- 187 Section 3. Section **13-57-202** is amended to read:
- 188 **13-57-202. Consumer maintenance funding provider operations.**
- 186 (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.
- 190 (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.
- 193 (3) A consumer maintenance funding provider may not:
- 194 (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:
- 197 (i) an attorney authorized to practice law;
- 198 (ii) a health care provider; or
- 199 (iii) an employee, independent contractor, or other person affiliated with a person described in
Subsection (3)(a)(i) or (ii);
- 201 (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;
- 203 (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;
- 206 (d) intentionally advertise materially false or misleading information about the consumer maintenance
funding provider's services;
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- (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; [øø]
- 211 (f) knowingly pay or offer to pay court costs, filing fees, or attorney fees using legal funding[-] ; or
- 213 (g) attempt to obtain a waiver of a remedy or right from the consumer, including the right to trial by jury.
- 215 (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.
- 218 {~~(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.~~}}
- 221 (b){~~(5)~~ } {~~An attorney who refers the~~ } A consumer {~~to~~ } maintenance funding provider may not offer maintenance funding to a consumer who has retained, or been referred by, an attorney or law firm that {~~the consumer retains may not have~~ } has a financial interest {~~a~~ } in the consumer maintenance funding provider {~~that offers a consumer maintenance funding agreement to the consumer~~ } .
- 224 {~~(6)~~ } {~~The attorney or law firm that the consumer retains may only disclose privileged information to the consumer maintenance funding provider with the written consent of the consumer.~~ }
- 227 (7){~~(6)~~ } 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.
- 228 Section 4. Section **13-57-203** is amended to read:
- 229 **13-57-203. Annual reports.**
- 232 (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:
- 234 (a) under oath;
- 235 (b) with the director; and
- 236 (c) in a form the director prescribes.
- 237 (2) The report described in Subsection (1) shall include, for the preceding calendar year:
- 238 (a) the number of consumer maintenance funding agreements and commercial maintenance funding agreements entered into by the maintenance funding provider;
- 240 (b) the total dollar amount of [legal]funding the maintenance funding provider provided;

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- 241 (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;
- 244 (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];
- 247 (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
- 250 (f) any other information the director requires concerning the maintenance funding provider's business
or operations in the state.

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

251 **13-57-301. Consumer maintenance funding agreements.**

254 (1) A consumer maintenance funding agreement shall:

255 (a) be in writing;

256 (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, can read
and understand the terms of the consumer maintenance funding agreement without requiring the
assistance of a professional;

260 (c) be complete before the consumer signs the consumer maintenance funding agreement;

262 [~~(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:

266 (i) within [~~five~~] 10 business days after the day on which the [~~individual~~] consumer and consumer
maintenance funding provider enter the agreement; and

268 (ii)

(A) in person by delivering the consumer maintenance funding provider's uncashed check to the
consumer maintenance funding provider's office; or

270 (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;

274 [~~(e)~~] (e) contain the disclosures described in Section 13-57-302;

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- 275 [~~(d)~~] (f) include the amount of money the consumer maintenance funding provider provides to the
[~~individual~~] consumer;
- 277 [~~(e)~~] (g) include an itemization of one-time charges;
- 278 [~~(f)~~] (h) include a payment schedule that:
- 279 (i) includes the funded amount and all charges; and
- 280 (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; [~~and~~]
- 284 [~~(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~~]
- 287 [~~(h)~~] (j) include a provision that:
- 288 (i) if there are no available proceeds from the legal action, the [~~individual~~] consumer will owe the
consumer maintenance funding provider nothing; and
- 290 (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
- 293 (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.
- 298 (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.
- 301 {~~(3)~~ }
- (a){(3)} A consumer maintenance funding agreement is not valid unless the agreement includes a
written certification signed by the {consumer's attorney} consumer stating that:
- 303 (i){(a)} the consumer, with the consumer's attorney {has} , reviewed the mandatory disclosures in
Section 13-57-302 {with the consumer};
- 305 (ii){(b)} the {consumer's attorney represents the consumer} consumer is represented by an attorney
in the legal claim on a contingency fee basis in accordance with a written fee agreement;
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- (iii){(c)} the consumer will direct the consumer's attorney {will} to receive and disburse all proceeds of the legal claim through the attorney's trust account or a settlement fund established for the benefit of the consumer;and
- 310 (iv){(d)} the consumer will direct the consumer's attorney {will} to disburse funds in accordance
312 with the terms of the consumer maintenance funding agreement{:};
- {(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 agreement; and~~}
- 315 {(vi) {~~the consumer's attorney has not provided tax advice, public or private benefit planning advice, or financial advice to the consumer regarding the agreement.~~}
- 317 {(b) {~~Subsection (3)(a) applies to a new attorney or law firm that the consumer retains.~~}
- 318 (4)
- (a) The consumer maintenance funding agreement is null and void if the {~~attorney or law firm that the consumer retains~~} consumer does not provide the acknowledgment Subsection (3) requires.
- 321 (b) The consumer maintenance funding agreement remains valid and enforceable if the consumer terminates an attorney or law firm that the consumer retains.
- 323 (5) A consumer maintenance funding provider may not charge or collect a prepayment penalty or fee.
- 316 Section 6. Section **13-57-302** is amended to read:
- 317 **13-57-302. Required disclosures.**
- A consumer maintenance funding provider shall disclose in a consumer maintenance funding agreement:
- 329 (1) that the consumer maintenance funding provider may not participate in deciding whether, when, or the amount for which a legal action is settled;
- 331 (2) 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;
- 334 (3) 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

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CLAIM, UNLESS YOU HAVE VIOLATED A MATERIAL TERM OF THIS AGREEMENT OR YOU HAVE COMMITTED FRAUD AGAINST THE CONSUMER MAINTENANCE FUNDING PROVIDER.";

- 344 (4) 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
- 357 (5) 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."

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

355 **13-57-501. Enforceability.**

If a maintenance funding provider willfully violates a provision of this chapter, a maintenance funding agreement associated with the violation is unenforceable by the maintenance funding provider or any successor-in-interest to the maintenance funding agreement.

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

361 **13-57-504. Assignability -- Liens.**

- 371 (1) The contingent right to receive an amount of the potential proceeds of a legal claim is assignable by a party to a maintenance funding provider.

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- (2) Only attorney's liens related to the legal claim that is the subject of the maintenance funding or Medicare or other statutory liens related to the legal claim take priority over a lien of the maintenance funding provider.

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

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

Communications between an attorney and a maintenance funding provider to allow the maintenance funding provider to ascertain the status of a legal claim or a legal claim's expected value are not discoverable by a person against whom the party asserts or files the claim.

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

368 **13-57-601. Commercial maintenance funding prohibitions.**

- 384 (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.

- 387 (2) A {party} ~~commercial maintenance funding provider may not receive, {an attorney} access, or {a law firm for a party shall not disclose or share}~~ use any documents or information subject to a court order to seal or protect 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.

392 (3)

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

- 395 (b) The right to make the decisions Subsection (3)(a) describes remains solely with the party and the party's attorney in the civil proceeding.

382 Section 10. **Repealer.**

This Bill Repeals:

383 This bill repeals:

384 Section **13-57-101, Title.**

397 Section 11. Section **11** is enacted to read:

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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.

417 Section 12. Section 12 is enacted to read:

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

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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.

385 **Section 11. Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

387 **Section 12. Coordinating H.B. 280 with S.B. 38.**

If H.B. 280, Third Party Litigation Funding Amendments, and S.B. 38, Consumer
Protection Modifications, both pass and become law, the Legislature intends that, on May 6,
2026, the term "maintenance funding provider" in S.B. 38 be changed to the term "consumer
maintenance funding provider" in the following subsections:

(1) Subsections 13-57-201(3), (5), and (6);

(2) Subsection 13-57-202(3); and

(3) Subsection 13-57-203(1)(a).

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