

Third Party Litigation Funding Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor:

LONG TITLE

General Description:

This bill modifies the Maintenance Funding Practices Act.

Highlighted Provisions:

This bill:

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

- extends the consumer's right of rescission;

- ▶ restricts foreign investment;

- restricts specified relationships between an attorney and a funding provider;

- ▶ 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;

- protects communications between a consumer's attorney and the consumer maintenance
provider that ascertain a claim's status or an expected value from discovery;

- 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;

- provides that a commercial maintenance funding agreement is admissible at trial;

- 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

- makes technical and conforming changes.

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None

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Other Special Clauses:

None

31 **Utah Code Sections Affected:**32 **AMENDS:**

33 **13-57-102**, as enacted by Laws of Utah 2020, Chapter 118
34 **13-57-201**, as enacted by Laws of Utah 2020, Chapter 118
35 **13-57-202**, as enacted by Laws of Utah 2020, Chapter 118
36 **13-57-203**, as enacted by Laws of Utah 2020, Chapter 118
37 **13-57-301**, as enacted by Laws of Utah 2020, Chapter 118
38 **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
41 **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

44 **ENACTS:**

45 **13-57-504**, Utah Code Annotated 1953
46 **13-57-505**, Utah Code Annotated 1953
47 **13-57-506**, Utah Code Annotated 1953
48 **13-57-601**, Utah Code Annotated 1953
49 **13-57-602**, Utah Code Annotated 1953

50 **REPEALS:**

51 **13-57-101**, as enacted by Laws of Utah 2020, Chapter 118

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

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

55 **13-57-102 . Definitions.**

56 As used in this chapter:

57 (1) "Business entity" means a sole proprietorship, partnership, limited partnership, limited
58 liability company, corporation, or other entity or association used to carry on a business
59 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
62 affiliated with a legal claim; and

63 (ii) that creates a direct or collateralized interest in the proceeds of a legal claim by
64 settlement, verdict, judgment, or otherwise which interest is based in whole or in

65 part on a funding-based obligation to an action or group of actions or the
66 appearing counsel or a contractual co-counsel or the law firm of the counsel or
67 co-counsel executed with:
68 (A) an attorney representing a party;
69 (B) a co-counsel in the litigation with a contingent fee interest in the
70 representation of that party; or
71 (C) a third party that has a collateral-based interest in the contingency fees of the
72 counsel or co-counsel firm related in whole or in part to the fees derived from
73 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
77 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
80 contingent upon the outcome of the legal claim;
81 (v) a funding agreement to a nonprofit organization that represents a client on a pro
82 bono basis; or
83 (vi) an agreement of an assigned claim to prosecute an environmental contamination
84 matter seeking remediation of, or to recover the cost of remediating, a site that has
85 been on the U.S. Environmental Protection Agency's Superfund National
86 Priorities List.

87 (3)(a) "Commercial maintenance funding provider" means a person that enters into or
88 offers to enter into a commercial maintenance funding agreement with a plaintiff, a
89 lawyer, or a law firm asserting a legal claim on behalf of a plaintiff.
90 (b) "Commercial maintenance funding provider" does not include a nonprofit
91 organization exempt from federal income tax under Section 501(c)(3) of the Internal
92 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 claim.

97 (5) "Consumer maintenance funding agreement" means a non-recourse transaction in which
98 a consumer maintenance funding provider purchases contingent rights to receive an

99 amount of the potential proceeds of a settlement, judgment, award, or verdict obtained in
100 the consumer's legal claim, with funds paid directly to the consumer.

101 (6)(a) "Consumer maintenance funding provider" means a person that enters into a
102 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.

107 [(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
109 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
113 63L-13-101.

114 (10)(a) "Foreign entity of concern" means a partnership, association corporation,
115 organization, or other legal entity that:

- 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
118 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
122 nationals and blocked persons list; or
 - 123 (B) the United States Secretary of State designates as a foreign terrorist
124 organization.

125 (b) "Foreign entity of concern" includes an individual that owns, has a controlling
126 interest in, or is a director or senior officer of any entity that falls within Subsection
127 (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

133 the right to receive an amount out of the potential proceeds of any realized settlement,
134 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
136 maintenance funding provider under which the maintenance funding provider provides
137 legal funding to the individual.]

138 [(8)(a) "Maintenance funding provider" means a business entity that engages in the
139 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
145 commercial maintenance funding provider.

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

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

148 (1) [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.

150 (2) To register as a maintenance funding provider, a [business entity] person shall submit to
151 the division an application for registration:

152 (a) in the manner the division determines; and
153 (b) that includes:

154 (i) an application fee in an amount determined by the division in accordance with
155 Sections 13-1-2 and 63J-1-504; and
156 (ii) anything else the division requires as established in rule made in accordance with
157 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

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

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
164 Sections 13-1-2 and 63J-1-504; and
165 (ii) anything else the division requires as established in rule made in accordance with
166 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

167 [({4}) A business entity who acts as a maintenance funding provider in the state between May
168 12, 2019, and May 12, 2020, is permitted to continue to act as a maintenance funding
169 provider.]

170 [(a) if the person:]

171 [({i}) applies for registration in accordance with this section; and]

172 [({ii}) complies with the requirements of this chapter; and]

173 [({b}) until the division makes a determination regarding the person's application for
174 registration under this section.]

175 Section 3. Section **13-57-202** is amended to read:

176 **13-57-202 . Consumer maintenance funding provider operations.**

177 (1) A consumer maintenance funding provider may only provide legal funding to [an
178 individual] a consumer if the [maintenance funding] consumer maintenance funding
179 provider and the [individual] consumer enter into a consumer maintenance funding
180 agreement that meets the requirements of Section 13-57-301.

181 (2) Before executing a consumer maintenance funding agreement, a consumer maintenance
182 funding provider shall file with the division a template of the consumer maintenance
183 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
186 the following for referring [an individual] a consumer to the consumer maintenance
187 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
191 described in Subsection (3)(a)(i) or (ii);

192 (b) accept a commission, referral fee, or any other form of consideration from a person
193 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
195 described in Subsection (3)(a), unless the referral is to a local or state bar association
196 referral service;

197 (d) intentionally advertise materially false or misleading information about the consumer
198 maintenance funding provider's services;

199 (e) make or attempt to influence a decision relating to the conduct, settlement, or
200 resolution of a legal action for which the maintenance funding provider provides

201 legal funding; [or]

202 (f) knowingly pay or offer to pay court costs, filing fees, or attorney fees using legal
203 funding[.] ; or

204 (g) attempt to obtain a waiver of a remedy or right from the consumer, including the
205 right to trial by jury.

206 (4) A consumer maintenance funding provider shall provide [an individual] a consumer who
207 enters a consumer maintenance funding agreement a copy of the executed consumer
208 maintenance funding agreement.

209 (5)(a) An attorney or law firm that the consumer retains may not have a financial interest
210 in the consumer maintenance funding provider offering maintenance funding to the
211 consumer.

212 (b) An attorney who refers the consumer to an attorney or law firm that the consumer
213 retains may not have a financial interest a consumer maintenance funding provider
214 that offers a consumer maintenance funding agreement to the consumer.

215 (6) The attorney or law firm that the consumer retains may only disclose privileged
216 information to the consumer maintenance funding provider with the written consent of
217 the consumer.

218 (7) A consumer maintenance funding provider may not enter into a consumer maintenance
219 funding agreement directly or indirectly with a foreign entity of concern or a foreign
220 country or person of concern.

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

222 **13-57-203 . Annual reports.**

223 (1) On or before April 1 of each year, a maintenance funding provider registered in
224 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
230 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
233 agreement and each commercial maintenance funding agreement, itemized and
234 including the annual rate of return;

- 235 (d) the total dollar amount and number of [maintenance]funding transactions in which
236 the realized profit to the [eompany] maintenance funding provider was as contracted[
237 in the maintenance funding agreement];
238 (e) the total dollar amount and number of [maintenance]funding transactions in which
239 the realized profit to the [eompany] maintenance funding provider was less than
240 contracted; and
241 (f) any other information the director requires concerning the maintenance funding
242 provider's business or operations in the state.

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

13-57-301 . Consumer maintenance funding agreements.

- 245 (1) A consumer maintenance funding agreement shall:
246 (a) be in writing;
247 (b) be written in a clear and coherent manner using words with common, everyday
248 meanings so that the average consumer who makes a reasonable effort under ordinary
249 circumstances to read and understand the terms of the consumer maintenance funding
250 agreement without requiring the assistance of a professional;
251 (c) be complete before the consumer signs the consumer maintenance funding
252 agreement;
253 [(b)] (d) contain a right of rescission permitting the [individual] consumer to cancel the [
254 agreement] consumer maintenance funding agreement without penalty or further
255 obligation, if the [individual] consumer returns to the consumer maintenance funding
256 provider the full amount of the disbursed funds:
257 (i) within [five] 10 business days after the day on which the [individual] consumer and
258 consumer maintenance funding provider enter the agreement; and
259 (ii)(A) in person by delivering the consumer maintenance funding provider's
260 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
262 in the consumer maintenance funding agreement in the form of the consumer
263 maintenance funding provider's uncashed check or a registered or certified
264 check or money order;
265 [(e)] (e) contain the disclosures described in Section 13-57-302;
266 [(d)] (f) include the amount of money the consumer maintenance funding provider
267 provides to the [individual] consumer;
268 [(e)] (g) include an itemization of one-time charges;

269 [ff] (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
272 paid to the consumer maintenance funding provider at the end of each six-month
273 period, if the [eontaet] consumer maintenance funding agreement is satisfied
274 during that [periød] period; [and]

275 [(g)] (i) include a provision that the consumer maintenance funding agreement includes
276 no charge or fee other than the charges and fees disclosed in the [maintenance
277 funding] agreement; [and]

278 [(h)] (j) include a provision that:

- 279 (i) if there are no available proceeds from the legal action, the [individual] consumer
280 will owe the consumer maintenance funding provider nothing; and
281 (ii) the consumer maintenance funding provider's total charges will be paid only to
282 the extent there are available proceeds from the legal action after the settlement of
283 all liens, fees, and other costs[.]; and

284 (k) if the consumer seeks more than one consumer maintenance funding agreement from
285 the same company, a disclosure providing the cumulative amount due from the
286 consumer for all transactions, including charges under all consumer maintenance
287 agreements, if repayment is made any time after the consumer maintenance
288 agreements are executed.

289 (2) A consumer maintenance funding agreement may not require [an individual] a consumer
290 to make a payment to the consumer maintenance funding provider in an amount
291 determined as a percentage of the recovery from the legal action.

292 (3)(a) The consumer maintenance funding agreement shall contain a written
293 acknowledgment that attests:

- 294 (i) the attorney has reviewed the mandatory disclosures in Section 13-57-302 with the
295 consumer;
296 (ii) the attorney is being paid on a contingency basis in accordance with a written fee
297 agreement;
298 (iii) all proceeds of the legal claim will be disbursed through either the trust account
299 of the attorney or a settlement fund established to receive the proceeds of the legal
300 claim on the consumer's behalf;
301 (iv) the attorney is obligated to disburse funds from the legal claim and ensure that
302 the terms of the consumer maintenance funding agreement are fulfilled;

303 (v) the attorney has not received a referral fee or other consideration from the
304 consumer maintenance funding provider in connection with the maintenance
305 funding, nor will the attorney receive a referral fee or other consideration for the
306 referral in the future; and

307 (vi) the attorney in the legal claim has provided no tax, public or private benefit
308 planning, or financial advice regarding this transaction.

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

310 (4)(a) the consumer maintenance funding agreement is null and void if the attorney or
311 law firm that the consumer retains does not provide the acknowledgment Subsection
312 (3) requires.

313 (b) The consumer maintenance funding agreement remains valid and enforceable if the
314 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
316 penalty or fee.

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

318 **13-57-302 . Required disclosures.**

320 (1) In a legal claim in which a plaintiff enters into a consumer maintenance funding
321 agreement, the plaintiff or the plaintiff's attorney shall provide to each of the other
322 parties, and each insurer that has a duty to defend another party, written notice that the
323 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
325 agreement, the contents of the consumer maintenance funding agreement are subject to
326 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)
328 requires within 20 days after the day on which the consumer maintenance funding
329 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
332 proceeding.

333 (5) A consumer maintenance funding provider shall disclose in a consumer maintenance
334 funding agreement:

335 [(4)] (a) that the consumer maintenance funding provider may not participate in deciding
336 whether, when, or the amount for which a legal action is settled;

337 [2] (b) that the maintenance funding provider may not interfere with the independent
338 professional judgment of the attorney handling the legal action or any settlement of
339 the legal action;

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

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

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

369 Section 7. Section **13-57-401** is amended to read:

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

371 The division shall make rules in accordance with Title 63G, Chapter 3, Utah
372 Administrative Rulemaking Act, to:
373 (1) establish an application process for a business entity to register with the division as a
374 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
376 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:

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

380 [(1) The director shall help educate the general public regarding legal funding in the state
381 by:
382 [(a) (1) analyzing and summarizing data consumer maintenance funding providers submit
383 under Section 13-57-203; and
384 [(b) (2) publishing the analysis and summary described in Subsection (1)(a) on the
385 division's web page.
386 (2) Before October 1, 2022, the director shall report to the Business and Labor Interim
387 Committee on the status of legal funding in the state and make any recommendation the
388 director decides is necessary to improve the regulatory framework of legal funding,
389 including a recommendation on whether to limit charges a maintenance funding
390 provider may impose under a maintenance funding agreement.]

391 Section 9. Section **13-57-501** is amended to read:

13-57-501 . Enforceability.

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

396 Section 10. Section **13-57-502** is amended to read:

13-57-502 . Penalties -- Enforcement.

397 (1) After notice and an opportunity for an administrative hearing in accordance with Title
398 63G, Chapter 4, Administrative Procedures Act, the division may, in addition to
399 exercising the division's enforcement powers under Section 13-2-6, enforce the
400 provisions of this chapter by:
401 (a) revoking or suspending a consumer maintenance funding provider's registration;

- 405 (b) ordering a consumer maintenance funding provider to cease and desist from further
406 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
411 individual] a consumer.
- 412 (2) The division's enforcement powers under this section and Section 13-2-6 do not affect [
413 an individual's] a consumer's legal claim against a consumer maintenance funding
414 provider.

415 Section 11. Section **13-57-503** is amended to read:

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

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

- 419 (1) a bank while in the course of conducting a banking business as described in Section
420 7-3-1;
421 (2) a deferred deposit lender, as defined in Section 7-23-102, while engaged in the business
422 of deferred deposit lending;
423 (3) a title lender, as defined in Section 7-24-102, while engaged in the business of
424 extending a title loan; or
425 (4) a creditor, as defined in Section 70C-1-302, subject to the provisions of Title 70C, Utah
426 Consumer Credit Code.

427 Section 12. Section **13-57-504** is enacted to read:

428 **13-57-504 . Assignability -- Liens.**

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

434 Section 13. Section **13-57-505** is enacted to read:

435 **13-57-505 . Effect of communication on privileges.**

436 Communications between a consumer's attorney and a consumer maintenance funding
437 provider to allow the consumer maintenance funding provider to ascertain the status of a legal
438 claim or a legal claims expected value are not discoverable by a person against whom the

439 consumer asserts or files the claim.

440 Section 14. Section **13-57-506** is enacted to read:

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

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

446 Section 15. Section **13-57-601** is enacted to read:

447 **Part 6. Commercial Maintenance Funding**

448 **13-57-601 . Commercial maintenance funding prohibitions.**

449 (1) A commercial maintenance funding provider may not enter into a commercial
450 maintenance funding agreement directly or indirectly with a foreign entity of concern or
451 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
453 or information subject to a court order to seal or protect is issued in the course of the
454 civil proceeding with a commercial maintenance funding provider.

455 (3)(a) A commercial maintenance funding provider may not make a decision, have
456 influence, or direct the plaintiff or the plaintiff's attorney with respect to the conduct
457 of the underlying legal claim or a settlement or resolution of the legal claim, or make
458 a decision with respect to the conduct of the underlying legal claim or a settlement or
459 resolution of the legal claim.

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

462 Section 16. Section **13-57-602** is enacted to read:

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
465 discovery request, a party or a party's counsel shall provide to the other parties any
466 agreement in which a commercial maintenance funding provider has a right to
467 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
470 proceeding.

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

473 funding agreement.

474 Section 17. **Repealer.**

475 This bill repeals:

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

477 Section 18. **Effective Date.**

478 This bill takes effect on May 6, 2026.