

James A. Dunnigan proposes the following substitute bill:

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 provisions related to maintenance funding agreements.

Highlighted Provisions:

This bill:

- defines terms;
- distinguishes between consumer maintenance funding agreements and commercial maintenance funding agreements;
- requires maintenance funding providers to register with the Division of Consumer Protection;
- extends the right of rescission for a consumer maintenance funding agreement;
- imposes disclosure requirements in connection with consumer and commercial maintenance funding agreements;
- restricts certain relationships between attorneys and maintenance funding providers;
- prohibits maintenance funding arrangements involving foreign entities or persons of concern;
- establishes priority and assignability provisions relating to maintenance funding interests;
- restricts a commercial maintenance funding provider from directing or controlling litigation decisions;
- requires disclosure of certain maintenance funding agreements in civil actions;
- provides for enforcement, penalties, and rulemaking;
- requires disclosure in civil proceedings; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

29 None

30 **Utah Code Sections Affected:**

31 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

39 ENACTS:

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

41 **13-57-505**, Utah Code Annotated 1953

42 **13-57-601**, 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

47

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.**

51 As used in this chapter:

52 (1) "Business entity" means a sole proprietorship, partnership, limited partnership, limited
53 liability company, corporation, or other entity or association used to carry on a business
54 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
57 legal claim; and

58 (ii) that creates a direct or collateralized interest in the proceeds of a legal claim by
59 settlement, verdict, judgment, or otherwise, which interest is based in whole or in
60 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
64 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
67 contingent upon the outcome of the legal claim;
- 68 (v) a funding agreement to a nonprofit organization that represents a client on a pro
69 bono basis;
- 70 (vi) an agreement of an assigned claim to prosecute an environmental contamination
71 matter seeking remediation of, or to recover the cost of remediating, a site that has
72 been on the U.S. Environmental Protection Agency's Superfund National
73 Priorities List;
- 74 (vii) an agreement between a health care provider and a patient to provide medical
75 treatment on a lien if the repayment is not contingent on the outcome of the legal
76 claim; or
- 77 (viii) an agreement between a third party and a party to a legal claim to provide
78 funding for medical treatment related to a legal claim on a lien if the repayment is
79 not contingent upon the outcome of the legal claim.
- 80 (3)(a) "Commercial maintenance funding provider" means a person that enters into a
81 commercial maintenance funding agreement with a party to a legal claim.
- 82 (b) "Commercial maintenance funding provider" does not include a nonprofit
83 organization exempt from federal income tax under Section 501(c)(3) of the Internal
84 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
90 which a consumer maintenance funding provider purchases contingent rights to
91 receive an amount of the potential proceeds of a settlement, judgment, award, or
92 verdict obtained in the consumer's legal claim, with funds paid directly to the
93 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
96 treatment on a lien basis if repayment is not contingent on the outcome of the

97 legal claim; or
98 (ii) an agreement between a third party and a party to a legal claim for providing
99 funds for medical treatment related to the legal claim on a lien basis if repayment
100 is not contingent on the outcome of the legal claim.

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;

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
110 transfers a right or interest in a consumer litigation funding agreement.

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
113 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
117 63L-13-101.

118 (10)(a) "Foreign entity of concern" means a partnership, association, corporation,
119 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
122 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
126 nationals and blocked persons list; or

127 (B) the United States Secretary of State designates as a foreign terrorist
128 organization.

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

- 131 (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~~
- 137 ~~the right to receive an amount out of the potential proceeds of any realized settlement,~~
- 138 ~~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~~
- 140 ~~maintenance funding provider under which the maintenance funding provider provides~~
- 141 ~~legal funding to the individual.]~~
- 142 ~~[(8)(a) "Maintenance funding provider" means a business entity that engages in the~~
- 143 ~~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
- 149 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.**
- 152 ~~[(4) Except as provided in Subsection (4), a business entity may not act as a maintenance~~
- 153 ~~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
- 155 without registering with the division.
- 156 (b) A person who regularly engages as a commercial maintenance funding provider may
- 157 not act as a commercial maintenance funding provider in this state without
- 158 registering with the division.
- 159 (2) To register as a maintenance funding provider, a ~~[business entity]~~ person shall submit to
- 160 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
- 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 (3) Each year a maintenance funding provider shall renew the maintenance funding
 168 provider's registration by submitting to the division an application for registration
 169 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
 173 Sections 13-1-2 and 63J-1-504; and

174 (ii) anything else the division requires as established in rule made in accordance with
 175 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~~
 177 ~~12, 2019, and May 12, 2020, is permitted to continue to act as a maintenance funding~~
 178 ~~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~~
 183 ~~registration under this section.]~~

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

185 **13-57-202 . Consumer maintenance funding provider operations.**

186 (1) A consumer maintenance funding provider may only provide legal funding to [~~an~~
 187 ~~individual]~~ a consumer if the [~~maintenance funding-~~] consumer maintenance funding
 188 provider and the [~~individual]~~ consumer enter into a consumer maintenance funding
 189 agreement that meets the requirements of Section 13-57-301.

190 (2) Before executing a consumer maintenance funding agreement, a consumer maintenance
 191 funding provider shall file with the division a template of the consumer maintenance
 192 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
 195 the following for referring [~~an individual]~~ a consumer to the consumer maintenance
 196 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
 200 described in Subsection (3)(a)(i) or (ii);
- 201 (b) accept a commission, referral fee, or any other form of consideration from a person
 202 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
 204 described in Subsection (3)(a), unless the referral is to a local or state bar association
 205 referral service;
- 206 (d) intentionally advertise materially false or misleading information about the consumer
 207 maintenance funding provider's services;
- 208 (e) make or attempt to influence a decision relating to the conduct, settlement, or
 209 resolution of a legal action for which the maintenance funding provider provides
 210 legal funding; ~~[or]~~
- 211 (f) knowingly pay or offer to pay court costs, filing fees, or attorney fees using legal
 212 funding~~[-]~~ ; or
- 213 (g) attempt to obtain a waiver of a remedy or right from the consumer, including the
 214 right to trial by jury.
- 215 (4) A consumer maintenance funding provider shall provide ~~[an individual]~~ a consumer who
 216 enters a consumer maintenance funding agreement a copy of the executed consumer
 217 maintenance funding agreement.
- 218 (5)(a) An attorney or law firm that the consumer retains may not have a financial interest
 219 in the consumer maintenance funding provider offering maintenance funding to the
 220 consumer.
- 221 (b) An attorney who refers the consumer to an attorney or law firm that the consumer
 222 retains may not have a financial interest a consumer maintenance funding provider
 223 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
 225 information to the consumer maintenance funding provider with the written consent of
 226 the consumer.
- 227 (7) A consumer maintenance funding provider may not enter into a consumer maintenance
 228 funding agreement directly or indirectly with a foreign entity of concern or a foreign
 229 country or person of concern.

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

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

- 232 (1) On or before April 1 of each year, a maintenance funding provider registered in

233 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

239 maintenance funding agreements entered into by the maintenance funding provider;

240 (b) the total dollar amount of [~~legal~~]funding the maintenance funding provider provided;

241 (c) the total dollar amount of charges under each consumer maintenance funding

242 agreement and each commercial maintenance funding agreement, itemized and

243 including the annual rate of return;

244 (d) the total dollar amount and number of [~~maintenance~~]funding transactions in which

245 the realized profit to the [~~company~~] maintenance funding provider was as contracted[

246 in the maintenance funding agreement];

247 (e) the total dollar amount and number of [~~maintenance~~]funding transactions in which

248 the realized profit to the [~~company~~] maintenance funding provider was less than

249 contracted; and

250 (f) any other information the director requires concerning the maintenance funding

251 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.**

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

257 meanings so that the average consumer, who makes a reasonable effort under

258 ordinary circumstances, can read and understand the terms of the consumer

259 maintenance funding agreement without requiring the assistance of a professional;

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

261 agreement;

262 [~~(b)~~] (d) contain a right of rescission permitting the [~~individual~~] consumer to cancel the [

263 agreement] consumer maintenance funding agreement without penalty or further

264 obligation, if the [~~individual~~] consumer returns to the consumer maintenance funding

265 provider the full amount of the disbursed funds:

266 (i) within [~~five~~] 10 business days after the day on which the [~~individual~~] consumer and

- 267 consumer maintenance funding provider enter the agreement; and
- 268 (ii)(A) in person by delivering the consumer maintenance funding provider's
- 269 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
- 271 in the consumer maintenance funding agreement in the form of the consumer
- 272 maintenance funding provider's uncashed check or a registered or certified
- 273 check or money order;
- 274 ~~(e)~~ (e) contain the disclosures described in Section 13-57-302;
- 275 ~~(d)~~ (f) include the amount of money the consumer maintenance funding provider
- 276 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
- 281 paid to the consumer maintenance funding provider at the end of each six-month
- 282 period, if the ~~[contract]~~ consumer maintenance funding agreement is satisfied
- 283 during that period; ~~[and]~~
- 284 ~~(g)~~ (i) include a provision that the consumer maintenance funding agreement includes
- 285 no charge or fee other than the charges and fees disclosed in the ~~[maintenance~~
- 286 ~~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
- 289 will owe the consumer maintenance funding provider nothing; and
- 290 (ii) the consumer maintenance funding provider's total charges will be paid only to
- 291 the extent there are available proceeds from the legal action after the settlement of
- 292 all liens, fees, and other costs~~[-]~~ ; and
- 293 (k) if the consumer seeks more than one consumer maintenance funding agreement from
- 294 the same company, a disclosure providing the cumulative amount due from the
- 295 consumer for all transactions, including charges under all consumer maintenance
- 296 funding agreements, if repayment is made any time after the consumer maintenance
- 297 funding agreements are executed.
- 298 (2) A consumer maintenance funding agreement may not require ~~[an individual]~~ a consumer
- 299 to make a payment to the consumer maintenance funding provider in an amount
- 300 determined as a percentage of the recovery from the legal action.

- 301 (3)(a) A consumer maintenance funding agreement is not valid unless the agreement
302 includes a written certification signed by the consumer's attorney stating that:
- 303 (i) the consumer's attorney has reviewed the mandatory disclosures in Section
304 13-57-302 with the consumer;
- 305 (ii) the consumer's attorney represents the consumer in the legal claim on a
306 contingency fee basis in accordance with a written fee agreement;
- 307 (iii) the consumer's attorney will receive and disburse all proceeds of the legal claim
308 through the attorney's trust account or a settlement fund established for the benefit
309 of the consumer;
- 310 (iv) the consumer's attorney will disburse funds in accordance with the terms of the
311 consumer maintenance funding agreement;
- 312 (v) the consumer's attorney has not received and will not receive a referral fee or
313 other consideration from the consumer maintenance funding provider in
314 connection with the agreement; and
- 315 (vi) the consumer's attorney has not provided tax advice, public or private benefit
316 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
319 law firm that the consumer retains does not provide the acknowledgment Subsection
320 (3) requires.
- 321 (b) The consumer maintenance funding agreement remains valid and enforceable if the
322 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
324 penalty or fee.
- 325 Section 6. Section **13-57-302** is amended to read:
- 326 **13-57-302 . Required disclosures.**
- 327 A consumer maintenance funding provider shall disclose in a consumer maintenance
328 funding agreement:
- 329 (1) that the consumer maintenance funding provider may not participate in deciding
330 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
332 professional judgment of the attorney handling the legal action or any settlement of the
333 legal action;
- 334 (3) the following statement in substantially the following form, in all capital letters and at

335 least a 12-point type: "THE FUNDED AMOUNT AND AGREED-TO CHARGES
 336 SHALL BE PAID ONLY FROM THE PROCEEDS OF YOUR LEGAL CLAIM, AND
 337 SHALL BE PAID ONLY TO THE EXTENT THAT THERE ARE AVAILABLE
 338 PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE (INSERT
 339 NAME OF THE CONSUMER MAINTENANCE FUNDING PROVIDER HERE)
 340 ANYTHING IF THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM,
 341 UNLESS YOU HAVE VIOLATED A MATERIAL TERM OF THIS AGREEMENT
 342 OR YOU HAVE COMMITTED FRAUD AGAINST THE CONSUMER
 343 MAINTENANCE FUNDING PROVIDER.";

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

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

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

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

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

369 Section 8. Section **13-57-504** is enacted to read:

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

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

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

376 Section 9. Section **13-57-505** is enacted to read:

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

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

382 Section 10. Section **13-57-601** is enacted to read:

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

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

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

392 (3)(a) A commercial maintenance funding provider may not direct, or have a contractual
393 right to control, the party or the party's attorney with respect to the conduct of the
394 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
396 party and the party's attorney in the civil proceeding.

397 Section 11. Section **78B-3-1301** is enacted to read:

398 **Part 13. Consumer Maintenance Funding Agreements and Commercial Maintenance**

399 **Funding Agreements**

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

- 401 (1) "Commercial maintenance funding agreement" means the same as that term is defined
402 in Section 13-57-102.
- 403 (2) "Commercial maintenance funding provider" means the same as that term is defined in
404 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
407 Section 13-57-102.
- 408 (5) "Consumer maintenance funding provider" means the same as that term is defined in
409 Section 13-57-102.
- 410 (6) "Foreign country or person of concern" means the same as that term is defined in
411 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
414 commercial maintenance funding agreement.
- 415 (9) "Funding provider" means a consumer maintenance funding provider or a commercial
416 maintenance funding provider.

417 Section 12. Section **78B-3-1302** is enacted to read:

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

- 420 (1)(a) In a legal claim in which a party enters into a funding agreement, the party shall
421 provide a certificate along with the party's initial disclosures to each of the other
422 parties with the following information:
- 423 (i) the identity of all contracting parties to the funding agreement, including the
424 name, address, and, if a party is a legal entity, the place of formation of such
425 entity;
- 426 (ii) whether the funding agreement grants a funding provider control or approval
427 rights with respect to a legal claim or otherwise has the potential to create
428 conflicts of interest between the funder and the party, and if the agreement does
429 grant such control or approval rights, the nature of the terms and conditions
430 relating to such control or approval rights;
- 431 (iii) whether the funding agreement grants a funding provider the right to receive
432 materials designated as confidential pursuant to a protective or confidentiality
433 agreement or order in the legal claim;
- 434 (iv) the existence of any known relationship between a funding provider and the

- 435 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
- 438 providing funding, directly or indirectly, for the funding agreement and, if so, the
- 439 name, address, and country of incorporation or registration of that foreign country
- 440 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
- 442 initial disclosures but becomes subject to a funding agreement during litigation, the
- 443 party shall serve a certificate, as provided for in Subsection (1)(a), to the other parties
- 444 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
- 446 funding agreement within 30 days after commencement of a legal action or 30 days after
- 447 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
- 449 proceeding.

450 Section 13. **Repealer.**

451 This bill repeals:

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

453 Section 14. **Effective Date.**

454 This bill takes effect on May 6, 2026.