

Effective 5/12/2020

Part 2

Maintenance Funding Providers

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

- (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.
- (2) To register as a maintenance funding provider, a business entity shall submit to the division an application for registration:
 - (a) in the manner the division determines; and
 - (b) that includes:
 - (i) an application fee in an amount determined by the division in accordance with Sections 13-1-2 and 63J-1-504; and
 - (ii) anything else the division requires as established in rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (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:
 - (a) in the manner the division determines; and
 - (b) that includes:
 - (i) an application fee in an amount determined by the division in accordance with Sections 13-1-2 and 63J-1-504; and
 - (ii) anything else the division requires as established in rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (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:
 - (a) if the person:
 - (i) applies for registration in accordance with this section; and
 - (ii) complies with the requirements of this chapter; and
 - (b) until the division makes a determination regarding the person's application for registration under this section.

Enacted by Chapter 118, 2020 General Session

13-57-202 Maintenance funding provider operations.

- (1) A maintenance funding provider may only provide legal funding to an individual if the maintenance funding provider and the individual enter into a maintenance funding agreement that meets the requirements of Section 13-57-301.
- (2) Before executing a maintenance funding agreement, a maintenance funding provider shall file with the division a template of the maintenance funding agreement.
- (3) A maintenance funding provider may not:
 - (a) pay or offer to pay a commission, referral fee, or any other form of consideration to the following for referring an individual to the maintenance funding provider:
 - (i) an attorney authorized to practice law;
 - (ii) a health care provider; or
 - (iii) an employee, independent contractor, or other person affiliated with a person described in Subsection (3)(a)(i) or (ii);

- (b) accept a commission, referral fee, or any other form of consideration from a person described in Subsection (3)(a) for referring an individual to the person;
 - (c) refer an individual or potential individual to a person described in Subsection (3)(a), unless the referral is to a local or state bar association referral service;
 - (d) intentionally advertise materially false or misleading information about the maintenance funding provider's services;
 - (e) make or attempt to influence a decision relating to the conduct, settlement, or resolution of a legal action for which the maintenance funding provider provides legal funding; or
 - (f) knowingly pay or offer to pay court costs, filing fees, or attorney fees using legal funding.
- (4) A maintenance funding provider shall provide an individual who enters a maintenance funding agreement a copy of the executed maintenance funding agreement.

Enacted by Chapter 118, 2020 General Session

13-57-203 Annual reports.

- (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:
- (a) under oath;
 - (b) with the director; and
 - (c) in a form the director prescribes.
- (2) The report described in Subsection (1) shall include, for the preceding calendar year:
- (a) the number of maintenance funding agreements entered into by the maintenance funding provider;
 - (b) the total dollar amount of legal funding the maintenance funding provider provided;
 - (c) the total dollar amount of charges under each maintenance funding agreement, itemized and including the annual rate of return;
 - (d) the total dollar amount and number of maintenance funding transactions in which the realized profit to the company was as contracted in the maintenance funding agreement;
 - (e) the total dollar amount and number of maintenance funding transactions in which the realized profit to the company was less than contracted; and
 - (f) any other information the director requires concerning the maintenance funding provider's business or operations in the state.

Enacted by Chapter 118, 2020 General Session