

LITIGATION TRANSPARENCY ACT

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

Senate Sponsor: _____

LONG TITLE

General Description:

This bill requires that a person that sues the state or a political subdivision disclose the person's source of funding.

Highlighted Provisions:

This bill:

- ▶ allows the state or a political subdivision that is being sued to stop or delay a project or the enforcement of a statute or ordinance to file a motion to uncover the source of funding for the lawsuit;
- ▶ allows the motion to be filed at any time;
- ▶ sets a penalty for refusal to disclose; and
- ▶ sets a threshold funding requirement for disclosure.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

78B-5-829, Utah Code Annotated 1953

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



28 Section 1. Section **78B-5-829** is enacted to read:

29 **78B-5-829. Transparency in litigation funding.**

30 (1) As used in this section:

31 (a) "Lawsuit" means an action against the state or a political subdivision of the state
32 that impacts the health, safety, or welfare of the citizens of the state or the political subdivision.

33 (b) "Third party entity" means a person, as defined in Section [68-3-12.5](#), that provides
34 funding for a lawsuit against a state or a political subdivision of the state.

35 (2) A governing body or chief executive of the state or a political subdivision of the
36 state may, by resolution, request, from any person that has given notice that the person plans to
37 initiate a lawsuit against the state or a political subdivision of the state, disclosure of all third
38 party entities that have contributed 5% or more of the person's funding for the lawsuit.

39 (3) If a lawsuit is filed that attempts to delay or stop the state or a political subdivision
40 of the state from beginning or continuing a project or enforcing an ordinance or statute, and the
41 information requested in Subsection (2) has not been received by the state or a political
42 subdivision of the state, the state or a political subdivision of the state may file a motion with
43 the court requesting the information.

44 (4) The immediate effect of the motion shall be to stay the lawsuit until disclosure is
45 made, however, if the suit is regarding a construction project that has already begun, the project
46 may not be halted unless the court finds good cause to order stoppage.

47 (5) A plaintiff who fails to disclose the information requested may be held in contempt
48 by the court and subject to dismissal of the action. If an action is dismissed for failure to
49 disclose, the court may order the plaintiff to pay attorney fees and costs incurred by the state or
50 a political subdivision of the state.

51 (6) If there is more than one plaintiff and one or more of the plaintiffs refuses to
52 disclose the information, the plaintiffs refusing to disclose may be sanctioned by the court in
53 accordance with Subsection (5).

Legislative Review Note
as of 2-25-14 11:54 AM

Office of Legislative Research and General Counsel