
DIGEST

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HB 336 Reengrossed

2024 Regular Session

Chenevert

Abstract: Establishes financial litigation disclosures.

Proposed law creates the Litigation Financing Disclosure Act.

Proposed law provides for definitions of "attorney", "litigation financier", "litigation financing", "litigation financing contract or agreement", "party", and "proprietary information".

Proposed law provides that the party not be domiciled in this state.

Proposed law provides that a party or his attorney shall provide to all litigants, including the insurer if prior to litigation, any litigation financing contract or agreement under which anyone, other than an attorney permitted to charge a contingent fee, has received or has a right to receive either: (1) compensation or proceeds that are contingent on and sourced from any proceeds of the civil action by settlement, judgment, or otherwise; or (2) proprietary information obtained as a result of a civil action.

Proposed law adds provisions excluding application to nonprofit legal organizations seeking only injunctive relief on behalf of its clients from disclosure requirements. Awards of costs or attorney fees to non-profit legal organizations shall not be affected by proposed law. Provides that a non-profit legal organization shall not be required to disclose its donors or sources of funding.

Proposed law provides that the existence of litigation financing, litigation financing contracts or agreements, and all participants in such financing arrangements are permissible subjects of discovery in all civil cases, including personal injury litigation or matters arising out of personal injuries.

Proposed law relative to class action suits, provides that in addition to the disclosure requirements set forth in proposed law, the attorney of the putative class shall disclose to all parties, putative class members, and the court any legal, financial, or other relationship between the legal representative and litigation financier.

Proposed law provides that any violation of proposed law shall make the litigation financing contract absolutely null.

(Adds R.S. 9:3580.1-3580.5)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the original bill:

1. Provide exceptions for nonprofit legal organizations from disclosing their funding.
2. Provide that a "litigation financing contract" does not include funding provided by a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code by grant or otherwise.
3. Provide that proposed law shall not apply to nonprofit legal organizations funded by private donors that represent clients on a pro bono basis.

The House Floor Amendments to the engrossed bill:

1. Change the term "loaning" to "lending".