

HOUSE BILL NO. 564

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GOSEN.

1421H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 434, RSMo, by adding thereto one new section relating to civil justice funding.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 434, RSMo, is amended by adding thereto one new section, to be
2 known as section 434.150, to read as follows:

434.150. 1. For purposes of this section, the following terms shall mean:

2 **(1) “Civil justice funding”, any nonrecourse transaction in which a civil justice**
3 **funding company purchases and a consumer assigns to the company a contingent right to**
4 **receive an amount of the potential proceeds of a settlement, judgment, award, or verdict**
5 **obtained in the consumer’s legal claim;**

6 **(2) “Civil justice funding company”, a person or entity that enters into a civil**
7 **justice funding with a Missouri consumer. This term shall not include:**

8 **(a) An immediate family member of the consumer;**

9 **(b) A bank, lender, financing entity, or other special purpose entity:**

10 **a. That provides financing to a civil justice funding company; or**

11 **b. To which a civil justice funding company grants a security interest or transfers**
12 **any rights or interest in a civil justice funding; or**

13 **(c) An attorney or accountant who provides services to a consumer.**

14 **2. No civil justice funding company shall engage in the business of civil justice**
15 **funding in this state.**

✓

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.