



DAILY BRIEF

For the 2020 Legislative Session

From February 5, 2020

LEGAL & JUDICIAL

HB 7041 – Relating to Litigation Financing Consumer Protection

On Wednesday, February 5, **HB 7041**, sponsored by the House Civil Justice Subcommittee, was heard by the House Appropriations Committee and was reported favorable with 20 yeas and 2 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Litigation financing is a non-recourse transaction in which a third party (“litigation financier”) provides funds to a person bringing a civil action or claim in exchange for an assignment of the person’s contingent right to receive an amount of the civil action or claim’s potential proceeds.

The PCB establishes various requirements, such as registering with the Department of State and posting a bond, on litigation financiers. The bill also establishes requirements regarding the contracts, disclosure to consumers, and prohibited conduct. Specifically, the bill caps the fees to \$500 for any civil action or claim, regardless of the number of contracts of a litigation financier. Lastly, it provides that violation of the Act is a violation of the Florida Deceptive and Unfair Trade Practices Act.

HB 7041 will now move to the House Commerce Committee.

AIF supports efforts that create transparency and accountability to prevent malevolent litigation financiers from driving up litigation costs, and; therefore, driving up the cost to do business in Florida.