

117TH CONGRESS
1ST SESSION

H. R. 2025

To amend title 28, United States Code, to increase transparency and oversight of third-party litigation funding in certain actions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2021

Mr. ISSA introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 28, United States Code, to increase transparency and oversight of third-party litigation funding in certain actions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Litigation Funding
5 Transparency Act of 2021”.

6 **SEC. 2. TRANSPARENCY AND OVERSIGHT OF THIRD-PARTY**
7 **LITIGATION FUNDING IN CLASS ACTIONS.**

8 (a) IN GENERAL.—Chapter 114 of title 28, United
9 States Code, is amended by adding at the end the fol-
10 lowing:

1 **“§ 1716. Third-party litigation funding disclosure**

2 “(a) IN GENERAL.—In any class action, class counsel
3 shall—

4 “(1) disclose in writing to the court and all
5 other named parties to the class action the identity
6 of any commercial enterprise, other than a class
7 member or class counsel of record, that has a right
8 to receive payment that is contingent on the receipt
9 of monetary relief in the class action by settlement,
10 judgment, or otherwise; and

11 “(2) produce for inspection and copying, except
12 as otherwise stipulated or ordered by the court, any
13 agreement creating the contingent right.

14 “(b) TIMING.—The disclosure required by subsection
15 (a) shall be made not later than the later of—

16 “(1) 10 days after execution of any agreement
17 described in subsection (a)(2); or

18 “(2) the time of service of the action.”.

19 (b) TECHNICAL AND CONFORMING AMENDMENT.—
20 The table of sections for chapter 114 of title 28, United
21 States Code, is amended by adding at the end the fol-
22 lowing:

“1716. Third-party litigation funding disclosure.”.

1 **SEC. 3. TRANSPARENCY AND OVERSIGHT OF THIRD-PARTY**
2 **LITIGATION FUNDING IN MULTIDISTRICT**
3 **LITIGATION.**

4 Section 1407 of title 28, United States Code, is
5 amended—

6 (1) by redesignating subsections (g) and (h) as
7 subsections (h) and (i), respectively; and

8 (2) by inserting after subsection (f) the fol-
9 lowing:

10 “(g)(1) In any coordinated or consolidated pretrial
11 proceedings conducted pursuant to this section, counsel
12 for a party asserting a claim whose civil action is assigned
13 to or directly filed in the proceedings shall—

14 “(A) disclose in writing to the court and all
15 other parties the identity of any commercial enter-
16 prise, other than the named parties or counsel, that
17 has a right to receive payment that is contingent on
18 the receipt of monetary relief in the civil action by
19 settlement, judgment, or otherwise; and

20 “(B) produce for inspection and copying, except
21 as otherwise stipulated or ordered by the court, any
22 agreement creating the contingent right.

23 “(2) The disclosure required by paragraph (1) shall
24 be made not later than the later of—

25 “(A) 10 days after execution of any agreement
26 described in paragraph (1)(B); or

1 “(B) the time the civil action becomes subject
2 to this section.”.

3 **SEC. 4. APPLICABILITY.**

4 The amendments made by this Act shall apply to any
5 case pending on or commenced after the date of the enact-
6 ment of this Act.

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