

HB 733-FN - AS INTRODUCED

2025 SESSION

25-0740

07/11

HOUSE BILL            **733-FN**

AN ACT                relative to reporting requirements for persons or entities financing lawsuits.

SPONSORS:            Rep. Cole, Hills. 26; Rep. Ouellet, Coos 3; Rep. Kofalt, Hills. 32

COMMITTEE:          Judiciary

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ANALYSIS

This bill:

I. Requires that consumer litigation funding contracts contain certain disclosures.

II. Restricts certain provisions in consumer litigation funding contracts.

III. Establishes criminal penalties for disclosure or contract violations.

IV. Requires that entities register with the state prior to engaging in consumer litigation financing.

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Explanation:            Matter added to current law appears in ***bold italics***.  
                                 Matter removed from current law appears [~~in brackets and struck through.~~]  
                                 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT relative to reporting requirements for persons or entities financing lawsuits.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Purpose and Findings. The purpose of this act is to promote consumer protections related to  
2 consumer litigation funding transactions. This act establishes that such transactions must be  
3 subject to state regulation and sets forth requirements regarding disclosure, registration, funding  
4 company, and attorney responsibilities and limitations, violations, and other items. The act also  
5 requires the disclosure of commercial litigation financing agreements and sets forth certain  
6 prohibitions regarding commercial litigation financing agreements.

7 2 New Chapter; New Hampshire Third-Party Litigation Funding Transparency Act. Amend  
8 RSA by inserting after chapter 294-E the following new chapter:

9 CHAPTER 294-F

10 NEW HAMPSHIRE THIRD-PARTY LITIGATION FUNDING TRANSPARENCY ACT

11 294-F:1 Short Title. This chapter shall be known, and may be cited as, the "New Hampshire  
12 Third-Party Litigation Funding Transparency Act."

13 294-F:2 Definitions. In this chapter:

14 I. "Advertise" means publishing or disseminating any written, oral, electronic, or printed  
15 communication, or any communication by means of recorded telephone messages or transmitted or  
16 broadcast on radio, television, the Internet, or similar communications, media, including audio  
17 recordings, film strips, motion pictures, and videos, published, disseminated, circulated, or placed  
18 before the public, directly or indirectly, for the purpose of inducing a consumer to enter into a  
19 consumer litigation funding.

20 II. "Charges" means the amount of money to be paid to the consumer litigation funding  
21 company by or on behalf of the consumer, above the funded amount provided by or on behalf of the  
22 consumer litigation funding company to a consumer. Charges include all administrative,  
23 origination, underwriting, or other fees, including interest, no matter how denominated. Such  
24 charges shall annually not exceed 36 percent of the amount financed.

25 III. "Commercial litigation financier" means a person in the business of entering into  
26 commercial litigation financing agreements with claimants or with lawyers or law firms asserting  
27 legal claims on behalf of claimants. The term commercial litigation financier does not include a  
28 nonprofit organization exempt from federal income tax under 501(c)(3) of the United States Internal  
29 Revenue Code or its funders if the nonprofit organization represents the claimant on a pro bono  
30 basis, which may include an award of costs or attorney fees to the nonprofit organization or a related  
31 attorney.

1           IV. "Commercial litigation financing agreement" means, with respect to any civil action or  
2 group of civil actions, a written agreement:

3           (a) Whereby a third party agrees to provide funds to one of the named parties or any law  
4 firm affiliated with the action or group of civil actions, and

5           (b) Which creates a direct or collateralized interest in the proceeds of a civil action or  
6 group of civil actions, by settlement, verdict, judgment, or otherwise, and whose interest is based in  
7 whole or part on a funding-based obligation to the action or group of actions or the appearing counsel  
8 or any contractual co-counsel or the law firm(s) of the counsel or co-counsel executed with:

9                   (1) Any attorney representing a party;

10                  (2) Any co-counsel in the litigation with a contingent fee interest in the  
11 representation of that party; or

12                  (3) Any third-party who has a collateral-based interest in the contingency fees of the  
13 counsel or co-counsel firm related in whole or part to the fees derived from representing that party.

14           (c) "Commercial litigation financing agreement" includes any contract, including any  
15 option, forward contract, futures contract, short position, swap, or similar contract, or other  
16 agreement that is substantially similar to a litigation financing agreement.

17           (d) "Commercial litigation financing agreement" does not include:

18                   (1) A consumer litigation funding agreement;

19                  (2) An agreement by an attorney or law firm to provide legal services on a  
20 contingency fee basis to the claimant or to advance the claimant's legal costs in accordance with the  
21 American Bar Association's Model Rules of Professional Conduct;

22                  (3) A health insurer, medical provider, or assignee that has paid, is obligated to pay,  
23 or is owed any sums for a person's health care under the terms of a health insurance plan or  
24 agreement;

25                  (4) A financial institution providing loans to the claimant or the claimant's attorney  
26 or law firm when repayment is not contingent upon the outcome of the legal claim or on the outcome  
27 of any matter within a portfolio that includes the legal claim and involves the same attorney or law  
28 firm or affiliated attorney or law firm; or

29                  (5) A person with a preexisting contractual obligation to indemnify or defend a party  
30 to a legal claim.

31           V. "Consumer" means a natural person or estate for a decedent with a legal claim.

32           VI. "Consumer litigation funding" means a nonrecourse transaction in which a consumer  
33 litigation funding company purchases, and a consumer assigns to the company, a contingent right to  
34 receive an amount of the potential proceeds of a settlement, judgment, award, or verdict obtained in  
35 the consumer's legal claim.

36           VII. "Consumer litigation funding company" means a person or entity that enters into a  
37 consumer litigation funding contract with a consumer. It shall not include:

- 1 (a) An immediate family member of the consumer;
- 2 (b) A bank, lender, financing entity, or other special purpose entity:
  - 3 (1) That provides financing to a consumer litigation funding company; or
  - 4 (2) To which a consumer litigation funding company grants a security interest or
  - 5 transfers any rights or interest in a consumer litigation funding; or
- 6 (c) An attorney or accountant who provides services to a consumer.

7 VIII. "Foreign country or person of concern" means a foreign government or person listed in  
8 section 15 CFR 791.4 of the code of federal regulations, or a country designated as a threat to critical  
9 infrastructure by the governor by written notice to the department of safety.

10 IX. "Foreign entity of concern" means an entity that:

- 11 (a) Is organized or incorporated in a foreign country of concern;
- 12 (b) Is owned or controlled by the government, a political subdivision, or a political party  
13 of a foreign country of concern;
- 14 (c) Has a principal place of business in a foreign country of concern; or
- 15 (d) Is owned, organized, or controlled by, affiliated with, or acting on behalf of an  
16 individual or entity that is or has been:

17 (1) On a sanctions list maintained by the Office of Foreign Assets Control, including  
18 the following:

- 19 (A) Specially Designated Nationals and Blocked Persons List ("SDN List"),
- 20 (B) Foreign Sanctions Evaders List,
- 21 (C) Non-SDN Iran Sanctions Act List,
- 22 (D) Sectoral Sanctions Identifications List, or
- 23 (E) List of Foreign Financial Institutions Subject to Correspondent Account and  
24 Payable-Through Account Sanctions; or

25 (2) Designated by the United States Secretary of State as a foreign terrorist  
26 organization.

27 X. "Funded amount" means the amount of monies provided to, or on behalf of, the consumer  
28 in a consumer litigation funding contract. "Funded amount" excludes charges as defined in RSA  
29 294-F:2, II.

30 XI. "Funding date" means the date on which the funded amount is transferred to the  
31 consumer by the consumer litigation funding company either by personal delivery or via wire,  
32 automatic clearing house, or other electronic means, or mailed by insured, certified, or registered  
33 United States mail.

34 XII. "Immediate family member" means a parent, sibling, child by blood, adoption, or  
35 marriage, spouse, grandparent, or grandchild.

36 XIII. "Legal claim" means a civil claim or cause of action.

1 XIV. "Resolution date" means the date the funded amount, plus the agreed upon charges,  
2 are delivered to the consumer litigation funding company by the consumer, the consumer's attorney,  
3 or otherwise.

4 294-F:3 Consumer Litigation Funding Contract Requirements; Right of Rescission; Disclosure to  
5 Consumers.

6 I. All consumer litigation funding contracts shall meet the following requirements:

7 (a) The contract shall be written in a clear and coherent manner using words with  
8 common, everyday meanings to enable the average consumer who makes a reasonable effort under  
9 ordinary circumstances to read and understand the terms of the contract without having to obtain  
10 the assistance of a professional;

11 (b) The contract shall be completely filled in when presented to the consumer for  
12 signature;

13 (c) The contract shall contain, in twelve point bold type font, a right of rescission,  
14 allowing the consumer to cancel the contract without penalty or further obligation if, within 10  
15 business days after the funding date, the consumer returns to the consumer litigation funding  
16 company the full amount of the disbursed funds;

17 (d) The contract shall contain the initials of the consumer on each page;

18 (e) The contract shall contain a statement that there are no fees or charges to be paid by  
19 the consumer other than what is disclosed on the disclosure form;

20 (f) In the event the consumer seeks more than one litigation funding contract from the  
21 same company, the contract shall contain a statement providing the cumulative amount due from  
22 the consumer for all transactions, including charges under all contracts, if repayment is made any  
23 time after the contracts are executed;

24 (g) The contract shall contain a statement of the maximum amount the consumer may  
25 be obligated to pay under the contract other than in a case of material breach, fraud, or  
26 misrepresentation by or on behalf of the consumer; and

27 (h) The contract shall clearly and conspicuously detail how charges, including any  
28 applicable fees, are incurred or accrued.

29 II. All consumer litigation funding contracts shall contain a written acknowledgment by the  
30 attorney retained by the consumer in the legal claim that attests to the following:

31 (a) The attorney has reviewed the disclosures in RSA 294-F:3, IV with the consumer;

32 (b) The attorney is being paid on a contingency basis pursuant to a written fee  
33 agreement;

34 (c) All proceeds of the legal claim will be disbursed via either the trust account of the  
35 attorney or a settlement fund established to receive the proceeds of the legal claim on behalf of the  
36 consumer;

1           (d) The attorney is obligated to disburse funds from the legal claim and take any other  
2 steps to ensure that the terms of the litigation funding contract are fulfilled;

3           (e) The attorney has not received a referral fee or other consideration from the consumer  
4 litigation funding company in connection with the consumer litigation funding, nor will the attorney  
5 receive such fee or other consideration in the future; and

6           (f) The attorney in the legal claim has provided no tax, public or private benefit  
7 planning, or financial advice regarding this transaction.

8           III. In the event that the acknowledgment required pursuant to RSA 294-F:3, II is not  
9 provided by the attorney or firm retained by the consumer in the legal claim, the consumer litigation  
10 funding contract shall be null and void. The consumer litigation funding contract shall remain valid  
11 and enforceable in the event the consumer terminates the initial attorney or retains a new attorney  
12 with respect to the legal claim.

13           IV. All consumer litigation funding contracts shall contain the disclosures specified in this  
14 section, which shall constitute material terms of the contract. Unless otherwise specified, such  
15 disclosures shall be typed in at least twelve point bold type font and be placed clearly and  
16 conspicuously within the contract, as follows:

17           (a) On the front page under appropriate headings, language specifying:

18               (1) The funded amount to be paid to the consumer by the consumer litigation  
19 funding company;

20               (2) An itemization of one-time charges;

21               (3) The maximum total amount to be assigned by the consumer to the company,  
22 including the funded amount and all charges; and

23               (4) A payment schedule to include the funded amount and charges, listing all dates  
24 and the amount due at the end of each 180 day period from the funding date, until the date the  
25 maximum amount due to the company pursuant to the contract is paid.

26           (b) Within the body of the consumer litigation funding contract, language stating:

27               (1) "Consumer's right to cancellation: you may cancel this contract without penalty  
28 or further obligation within 10 business days after the funding date if you return to the consumer  
29 litigation funding company the full amount of the disbursed funds."

30               (2) "The consumer litigation funding company shall have no role in deciding  
31 whether, when, and how much the legal claim is settled for, however, the consumer and consumer's  
32 attorney must notify the consumer litigation funding company of the outcome of the legal claim by  
33 settlement or adjudication prior to or on the resolution date. The company may seek updated  
34 information about the status of the legal claim but in no event shall the company attempt to  
35 interfere with, control, or influence the independent professional judgment of the attorney in the  
36 handling of the legal claim or any settlement thereof."

1           (3) In all capital letters in at least twelve point bold type font contained within a box:  
2 "THE FUNDED AMOUNT AND AGREED UPON CHARGES SHALL BE PAID ONLY FROM THE  
3 PROCEEDS OF YOUR LEGAL CLAIM, AND SHALL BE PAID ONLY TO THE EXTENT THAT  
4 THERE ARE AVAILABLE PROCEEDS FROM YOUR LEGAL CLAIM. YOU WILL NOT OWE  
5 (INSERT NAME OF THE CONSUMER LITIGATION FUNDING COMPANY) ANYTHING IF  
6 THERE ARE NO PROCEEDS FROM YOUR LEGAL CLAIM, UNLESS YOU HAVE VIOLATED  
7 ANY MATERIAL TERM OF THIS CONTRACT OR YOU HAVE COMMITTED FRAUD AGAINST  
8 (INSERT NAME OF CONSUMER LITIGATION FUNDING COMPANY)."

9           (c) Located immediately above the place on the contract where the consumer's signature  
10 is required, in twelve point bold type font: "Do not sign this contract before you read it completely.  
11 Do not sign this contract if it contains any blank spaces. You are entitled to a completely filled-in  
12 copy of the contract before you sign this contract. You should obtain the advice of an attorney before  
13 signing this contract. Depending on the circumstances, you may want to consult a tax, public or  
14 private benefits planning, or financial professional. You acknowledge that your attorney in the legal  
15 claim has provided no tax, public or private benefit planning, or financial advice regarding this  
16 transaction. You further acknowledge that your attorney has explained the terms and conditions of  
17 the consumer litigation funding contract."

18           V. A copy of the executed contract shall promptly be delivered to the attorney for the  
19 consumer.

20           294-F:4 Consumer Litigation Funding Prohibitions and Charge Limitations.

21           I. Consumer litigation funding companies shall not:

22           (a) Pay or offer to pay commissions, referral fees, or other forms of consideration to any  
23 attorney, law firm, healthcare provider, chiropractor, or physical therapist or any of their employees  
24 for referring a consumer to the consumer litigation funding company;

25           (b) Accept commissions, referral fees, rebates, or other forms of consideration from an  
26 attorney, law firm, healthcare provider, chiropractor, or physical therapist or any of their employees;

27           (c) Intentionally advertise false or misleading information regarding the consumer  
28 litigation funding company's products or services;

29           (d) Refer, in furtherance of an initial legal funding, a customer or potential customer to a  
30 specific attorney, law firm, healthcare provider, chiropractor, or physical therapist or any of their  
31 employees; provided, however, if a customer needs legal representation, the consumer litigation  
32 funding company may refer the customer to a local or state bar association referral service;

33           (e) Knowingly provide funding to a consumer who has previously assigned or sold a  
34 portion of the consumer's right to proceeds from a legal claim without first making payment to or  
35 purchasing a prior unsatisfied consumer litigation funding company's entire funded amount and  
36 contracted charges, unless a lesser amount is otherwise agreed to in writing by the consumer  
37 litigation funding companies, except that multiple companies may agree to contemporaneously

1 provide consumer litigation funding to a consumer provided that the consumer and the consumer's  
2 attorney consent to the arrangement in writing;

3 (f) Make any decision, have any influence, or direct any decisions with respect to the  
4 course of a legal claim, including decisions in appointing or changing counsel, choice or use of expert  
5 witnesses, litigation strategy, and settlement or other resolution. The right to make all decisions  
6 regarding a legal claim remains solely with the claimant and the claimant's attorney or law firm;

7 (g) Attempt to obtain a waiver of any remedy or right by the consumer, including but not  
8 limited to the right to trial by jury; and

9 (h) Knowingly pay or offer to pay for court costs, filing fees, or attorney's fees either  
10 during or after the resolution of the legal claim, using funds from the consumer litigation funding  
11 transaction.

12 II. Notwithstanding any other provision of law, no prepayment penalties or fees shall be  
13 charged or collected in connection with a consumer litigation funding transaction. A prepayment  
14 penalty in a consumer litigation funding transaction shall be unenforceable.

15 III. An attorney or law firm retained by the consumer in a legal claim shall not have a  
16 financial interest in the consumer litigation funding company offering consumer litigation funding to  
17 that consumer.

18 IV. An attorney who has referred the consumer to his or her retained attorney shall not  
19 have a financial interest in the consumer litigation funding company offering consumer litigation  
20 funding to that consumer.

21 V. An attorney shall not disclose confidential or privileged information to a consumer  
22 litigation funding company without the written consent of the consumer and in accord with any  
23 order of the court in the litigation.

24 VI. A consumer litigation funding company shall not enter into a consumer litigation  
25 financing contract directly or indirectly with a foreign entity of concern or a foreign country or  
26 person of concern.

27 294-F:5 Contracted Amounts for Consumer Litigation Funding. The contracted amount to be  
28 paid to the consumer litigation funding company shall be a predetermined amount based upon  
29 intervals of time from the funding date through the resolution date, and shall not be determined as a  
30 percentage of the recovery from the legal claim.

31 294-F:6 Disclosures.

32 I. Within 30 days of a written request, a consumer shall disclose to any party to a legal  
33 claim, and each insurer that has a duty to defend, whether the consumer has entered into a  
34 consumer litigation funding contract.

35 II. If a consumer enters into a consumer litigation funding contract after responding to a  
36 request pursuant to RSA 294-F:6, I, the consumer has a continuing obligation to disclose and shall  
37 disclose this fact to the requesting person within 30 days after the consumer enters into the contract.

1           III. Consumer litigation funding contracts, and all participants or parties to the consumer  
2 litigation contract, are presumed to be discoverable in a civil proceeding, notwithstanding any  
3 agreement or provision with respect to confidentiality. A consumer may seek to rebut this  
4 presumption.

5           IV. Consumer litigation funding transactions disclosed under RSA 294-F:6, I and II and  
6 consumer litigation funding contracts discovered pursuant to RSA 294-F:6, III are presumed to be  
7 inadmissible as evidence. A party may seek to rebut this presumption.

8           294-F:7 Violations of Consumer Litigation Funding Requirements.

9           I. A consumer litigation funding company that violates any provision of this chapter in a  
10 specific funding case:

11               (a) Waives its right to recover both the funded amount and any and all charges, as  
12 defined in RSA 294-F:2, in that particular case; and

13               (b) Shall be liable for a civil penalty of not more than the fines established in RSA 358-  
14 C:4 for each violation, which shall accrue to the state and may be recovered in a legal claim brought  
15 by the attorney general.

16           II. Nothing in this chapter shall restrict the exercise of powers of the attorney general.

17           294-F:8 Assignability; Liens Regarding Consumer Litigation Funding.

18           I. The contingent right to receive an amount of the potential proceeds of a legal claim is  
19 assignable by a consumer to a consumer litigation funding company.

20           II. Only attorney's liens related to the legal claim which is the subject of the consumer  
21 litigation funding, or Medicare or other statutory liens related to the legal claim, shall take priority  
22 over any lien of the consumer litigation funding company.

23           294-F:9 Consumer Litigation Funding Privileged Communications. Communications between a  
24 consumer's attorney and a consumer legal funding company to allow the consumer legal funding  
25 company to ascertain the status of a legal claim or a legal claim's expected value shall not be  
26 discoverable by a person against whom the legal claim is asserted or filed.

27           294-F:10 Consumer Litigation Funding and Commercial Litigation Financing Registration.

28           I. Unless a consumer litigation funding company or commercial litigation financier has first  
29 registered with the state pursuant to this chapter, the company shall not engage in consumer  
30 litigation funding or commercial litigation financing agreements in this state.

31           II. An applicant's registration must be filed in the manner prescribed by the secretary of  
32 state and must contain all the information required by the secretary of state to make an evaluation  
33 of the character and fitness of the applicant company or financier, including but not limited to any  
34 beneficial ownership exceeding twenty percent. The initial application and renewal registration  
35 shall include a fee, to be determined by the secretary of state in administrative rulemaking. A  
36 registration must be renewed every 2 years and expires on the thirty-first day of December of that  
37 year.

1 III. A certificate of registration shall not be issued unless the secretary of state, upon  
2 investigation, finds that the character and fitness of the applicant company or financier, and of the  
3 officers and directors thereof, are such as to warrant belief that the business will be operated  
4 honestly and fairly within the purposes of this act.

5 IV. Every registrant shall, at the time of filing such application, file with the secretary of  
6 state, if the secretary of state so requires, a bond, satisfactory to the secretary of state, in an amount  
7 not to exceed \$100,000 dollars. In lieu of the bond, at the option of the registrant, the registrant may  
8 post an irrevocable letter of credit. The terms of the bond must run concurrent with the period of  
9 time during which the registration will be in effect. The bond must provide that the registrant will  
10 faithfully conform to and abide by the provisions of this chapter and to all rules lawfully made by the  
11 administrator under this chapter and to any such person or persons any and all amounts of money  
12 that may become due or owing to the state or to such person or persons from the registrant under  
13 and by virtue of this chapter during the period for which the bond is given.

14 V. Upon written request, the applicant shall be entitled to a hearing on the question of the  
15 applicant's qualifications for registration if:

16 (a) The secretary of state has notified the applicant in writing that the application has  
17 been denied, or

18 (b) The secretary of state has not issued a registration within 60 days after the  
19 application for the registration was filed.

20 VI. A request for a hearing shall not be made more than 15 days after the secretary of state  
21 has mailed a written notice to the applicant that the application has been denied and stating in  
22 substance the secretary of state's findings supporting denial of the application.

23 VII. Notwithstanding the prior approval requirement of RSA 294-F:10, a consumer litigation  
24 funding company or commercial litigation financier that registered with the secretary of state  
25 between the effective date of this chapter or when the secretary of state has made applications  
26 available to the public, whichever is later, and 180 days thereafter may engage in consumer  
27 litigation funding or commercial litigation financing agreements while the company's registration is  
28 pending approval with the secretary of state. All consumer litigation funding or commercial  
29 litigation financing agreements entered into prior to the effective date of this chapter are not subject  
30 to the terms of this chapter.

31 VIII. No person or entity may use any form of consumer litigation funding contract or  
32 commercial litigation financing agreement in this state unless it has been filed with the secretary of  
33 state in accordance with the filing procedures set forth by the secretary of state. Such procedures  
34 shall designate a reasonable time frame for the state to raise objections to any filed form.

35 294-F:11 Consumer Litigation Funding and Commercial Litigation Financing Reporting.

1           I. Each consumer litigation funding company and commercial litigation financier that  
2 engages in business in the state shall submit a report to the secretary of state on the thirty-first day  
3 of December of each year specifying the following:

4                   (a) The number of litigation fundings by the company or financier that year;

5                   (b) A summation of funded amounts in dollar figure that year; and

6                   (c) The annual percentage charged to each consumer or commercial litigation funding  
7 recipient where repayment was made that year.

8           II. The secretary of state shall make such information available to the public, in a manner  
9 which maintains the confidentiality of the name of each company and consumer, no later than 30  
10 days after the reports are submitted.

11           294-F:12 Prohibitions Related to Commercial Litigation Funding.

12           I. A commercial litigation financier shall not enter into a commercial litigation financing  
13 agreement directly or indirectly with a foreign entity of concern or a foreign country or person of  
14 concern.

15           II. No claimant, attorney or law firm representing a claimant, or affiliated attorney or law  
16 firm shall disclose or share any documents or information with a commercial litigation financier  
17 where such information is subject to a protective or sealing order from a court.

18           III. A commercial litigation financier shall not make any decision, have any influence, or  
19 direct any decisions with respect to the course of a legal claim, including decisions in appointing or  
20 changing counsel, choice or use of expert witnesses, litigation strategy, and settlement or other  
21 resolution. The right to make all decisions regarding a legal claim remains solely with the claimant  
22 and the claimant's attorney or law firm.

23           294-F:13 Commercial Litigation Financing Agreement Disclosure and Discovery.

24           I. Except as otherwise stipulated or ordered by the court, a claimant or the claimant's  
25 attorney shall, without awaiting a discovery request, provide to all parties any commercial litigation  
26 financing agreement at the time a legal claim is asserted or commenced and any time thereafter that  
27 a commercial litigation financing agreement is executed or amended. An insurer that has or may  
28 have a duty to defend or indemnify a party to a legal claim shall be provided with the commercial  
29 litigation financing agreement or any modifications or amendments to the agreement.

30           II. Commercial litigation financing agreements and all participants or parties to such  
31 agreements are permissible subjects of discovery in a legal claim.

32           294-F:14 Authority of Secretary of State to Promulgate Certain Rules. The secretary of state is  
33 authorized to adopt rules and regulations necessary to effectuate the purposes of this chapter in  
34 accordance with RSA 541-A.

35           294-F:15 Applicability. This chapter shall apply to any consumer litigation funding or  
36 commercial litigation financing agreement that is effectuated on or after the effective date of this  
37 chapter.

1           3 Effective Date. This Act shall take effect January 1, 2026.

**HB 733-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to reporting requirements for persons or entities financing lawsuits.

**FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.**

<b>Estimated State Impact</b>				
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Revenue</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Revenue Fund(s)</i>	General Fund			
<b>Expenditures*</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<i>Funding Source(s)</i>	General Fund			
<b>Appropriations*</b>	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

\*Expenditure = Cost of bill

\*Appropriation = Authorized funding to cover cost of bill

**METHODOLOGY:**

This bill introduces the New Hampshire Third Party Litigation Funding Transparency Act, regulating consumer litigation funding transactions. It specifies disclosure, registration, funding company and attorney duties and limitations, violations, and other concerns. Additionally, the bill requires disclosure of commercial litigation financing agreements and lists specific prohibitions related to them. Furthermore, the bill authorizes the Secretary of State to establish rules and fees for the initial application and renewal process. The Secretary of State will also prescribe the registration, investigate applicants, and conduct hearings if necessary.

The Department of State notes that the workload from this bill would force the Secretary of State to establish two new offices: one to handle the acceptance and review of consumer litigation funding companies and their applicants, and another to conduct hearings for applicants who are denied and wish to appeal. The first office would handle the registrations, make character evaluations of the applicant company or financier, investigate, review the bond or letter of credit issued to ensure it is satisfactory, collect fees established by the Secretary of State, collect reports, and make reporting information available to the public. The second office would prepare and conduct the hearings if an application is denied and a written request for a hearing is submitted to the Secretary of State. However, this bill does not provide funding nor authorize new positions.

The Department is unable to estimate the cost of the two new offices nor the amount of registration revenue from the fees established and therefore both state revenues and expenditures are estimated to have indeterminable increases.

**AGENCIES CONTACTED:**

Department of State