

HB 1157

2026

A bill to be entitled  
An act relating to litigation financing; providing a short title; designating part I of ch. 69, F.S., entitled "General Provisions"; creating part II of ch. 69, F.S., entitled "Litigation Financing"; creating s. 69.101, F.S.; providing definitions; creating s. 69.103, F.S.; requiring courts to consider potential conflicts of interest that may arise from the existence of a litigation financing agreement in specified circumstances; creating s. 69.105, F.S.; prohibiting specified acts by litigation financiers; creating s. 69.107, F.S.; requiring certain parties that enter into specified litigation financing agreements to serve specified notice; providing requirements for such notices; providing that certain information is not required to be included in such notices; authorizing courts to take specified actions relating to such notices; prohibiting foreign funders from taking specified actions; providing construction; providing penalties; creating s. 69.111, F.S.; providing that a litigation financing agreement is void and unenforceable in specified circumstances; providing for enforcement of specified violations under the Florida Deceptive and Unfair Trade Practices Act; authorizing a court, an agency, or a tribunal of

26       competent jurisdiction to impose fines or other  
27       sanctions for certain violations; providing  
28       severability; providing applicability; providing an  
29       effective date.

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31       Be It Enacted by the Legislature of the State of Florida:

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33       **Section 1.** This act may be cited as the "Litigation  
34       Investment Safeguards and Transparency Act."

35       **Section 2.** Sections 69.011, 69.021, 69.031, 69.041,  
36       69.051, 69.061, 69.071, and 69.081, Florida Statutes, are  
37       designated as part I of chapter 69, Florida Statutes, and  
38       entitled "General Provisions."

39       **Section 3.** Part II of chapter 69, Florida Statutes,  
40       consisting of ss. 69.101, 69.103, 69.105, 69.107, and 69.111,  
41       Florida Statutes, is created and entitled "Litigation  
42       Financing."

43       **Section 4.** **Section 69.101, Florida Statutes, is created to**  
44       **read:**

45       69.101 Definitions.—As used in this part, the term:  
46       (1) "Foreign funder" means a foreign person, foreign  
47       principal, or sovereign wealth fund that provides funding  
48       directly or indirectly under a litigation financing agreement.

49       (2) "Foreign person" means a person or an entity that is  
50       not:

51       (a) A citizen of the United States;  
52       (b) An alien lawfully admitted for permanent residence in  
53 the United States;

54       (c) An unincorporated association, a majority of members  
55 of which are citizens of the United States or aliens lawfully  
56 admitted for permanent residence in the United States; or

57       (d) A corporation incorporated in the United States.

58       (3) "Foreign principal" means:

59       (a) The government or a government official of any country  
60 other than the United States;

61       (b) A political subdivision or political party, or an  
62 official thereof, of a country other than the United States; or

63       (c) A partnership, an association, a corporation, an  
64 organization, or other combination of persons organized under  
65 the laws of, or having its principal place of business in, a  
66 country other than the United States whose shares or other  
67 ownership interest is owned by the government or a government  
68 official of a country other than the United States or owned by a  
69 political subdivision or political party, or an official  
70 thereof, of a country other than the United States.

71       (4) "Health care practitioner" has the same meaning as in  
72 s. 456.001.

73       (5) "Litigation financier" means a person engaged in the  
74 business of providing litigation financing.

75       (6) "Litigation financing agreement" means a transaction

76       in which a litigation financier agrees to provide financing to a  
77       person who is a party to or an attorney or a law firm  
78       representing a party in a civil action, an administrative  
79       proceeding, a claim, or other legal proceeding in exchange for a  
80       right to receive payment, which right is contingent in any  
81       respect on the outcome of such action, claim, or proceeding or  
82       on the outcome of any matter within a portfolio that includes  
83       such action, claim, or proceeding and involves the same counsel  
84       or affiliated counsel. However, the term does not apply to any  
85       of the following:

86        (a)   An agreement wherein funds are provided for or to a  
87       party to a civil action, an administrative proceeding, a claim,  
88       or other legal proceeding for such person's use in paying his or  
89       her costs of living or other personal or familial expenses  
90       during the pendency of such action, claim, or proceeding and  
91       where such funds are not used to finance any litigation or other  
92       legal costs.

93        (b)   An agreement wherein an attorney consents to provide  
94       legal services on a contingency fee basis or to advance his or  
95       her client's legal costs, and where such services or costs are  
96       provided by the attorney in accordance with the Florida Rules of  
97       Professional Conduct.

98        (c)   An entity with a preexisting contractual obligation to  
99       indemnify or defend a party to a civil action, an administrative  
100       proceeding, a claim, or other legal proceeding.

101        (d) A health insurer that has paid, or is obligated to  
102        pay, any sums for health care for an injured person under the  
103        terms of a health insurance plan or agreement.

104        (e) The repayment of a financial institution, as defined  
105        in s. 655.005(1), for loans made directly to a party to a civil  
106        action, an administrative proceeding, a claim, or other legal  
107        proceeding or such party's attorney when repayment of the loan  
108        is not contingent upon the outcome of such action, claim, or  
109        proceeding or upon the outcome of any matter within a portfolio  
110        that includes such action, claim, or proceeding and involves the  
111        same counsel or affiliated counsel.

112        (f) Funding provided to a nonprofit organization, exempt  
113        from federal income tax under s. 501(c) (3) of the United States  
114        Internal Revenue Code, provided that the nonprofit organization  
115        uses the funding only to provide pro bono legal representation  
116        on behalf of a client or engage in litigation on behalf of  
117        itself, its members, or a client and does not seek punitive  
118        damages, regardless of whether the nonprofit organization seeks  
119        an award of costs or attorney fees.

120        (g) Funding provided by a nonprofit organization exempt  
121        from federal income tax under s. 501(c) (3) of the United States  
122        Internal Revenue Code, by grant or otherwise, to cover the costs  
123        and expenses of pro bono legal representation or litigation that  
124        does not seek punitive damages, regardless of whether the  
125        recipient of the funding seeks an award of costs or attorney

126 fees. The nonprofit organization may, contingent upon the  
127 outcome of the litigation, receive repayment not to exceed the  
128 amount of funding provided.

129 (7) "Proprietary information" means information developed,  
130 created, or discovered by a person, or which became known by or  
131 was conveyed to a person, which has commercial value in the  
132 person's business. The term includes, but is not limited to,  
133 domain names, trade secrets, copyrights, ideas, techniques,  
134 inventions, regardless of whether patentable, and other  
135 information of any type relating to designs, configurations,  
136 documentation, recorded data, schematics, circuits, mask works,  
137 layouts, source code, object code, master works, master  
138 databases, algorithms, flow charts, formulae, works of  
139 authorship, mechanisms, research, manufacture, improvements,  
140 assembly, installation, intellectual property, including patents  
141 and patent applications, and information concerning the person's  
142 actual or anticipated business, research, or development or  
143 received in confidence by or for the person from any other  
144 source.

145 (8) "Sovereign wealth fund" means an investment fund owned  
146 or controlled by a foreign principal or an agent thereof.

147 **Section 5. Section 69.103, Florida Statutes, is created to**  
148 **read:**

149 69.103 Litigation financing agreement; representation of  
150 client interests; potential conflicts of interest.—A court may

151 take the existence of a litigation financing agreement into  
152 account:

153 (1) In a class action lawsuit brought in the courts of  
154 this state when determining whether a class representative or  
155 class counsel would adequately and fairly represent the  
156 interests of the class.

157 (2) In actions involving a common question of law or fact  
158 pending before the court which may be or has been consolidated  
159 when determining whether the lead counsel or any co-lead counsel  
160 would adequately and fairly represent the interests of the  
161 parties to such actions.

162 **Section 6. Section 69.105, Florida Statutes, is created to**  
163 **read:**

164 69.105 Prohibited conduct.—A litigation financier may not:  
165 (1) Direct, or make any decisions with respect to, the  
166 course of any civil action, administrative proceeding, claim, or  
167 other legal proceeding for which the litigation financier has  
168 provided financing, or any settlement or other disposition  
169 thereof. This prohibition includes, but is not limited to,  
170 decisions in appointing or changing counsel, choice or use of  
171 expert witnesses, and litigation strategy. All rights to make  
172 decisions with respect to the course and settlement or other  
173 disposition of the subject civil action, administrative  
174 proceeding, claim, or other legal proceeding remain solely with  
175 the parties to such action, claim, or proceeding and their

176 counsel of record.

177 (2) Contract for or receive, whether directly or  
178 indirectly, a larger share of the proceeds of a civil action, an  
179 administrative proceeding, a claim, or other legal proceeding  
180 financed by a litigation financing agreement than the share of  
181 the proceeds collectively recovered by the plaintiffs to any  
182 such action, claim, or proceeding after the payment of any  
183 attorney fees and costs owed in connection to such action,  
184 claim, or proceeding.

185 (3) Pay or offer to pay a commission, referral fee, or  
186 other consideration to any person, including an attorney, a law  
187 firm, or a health care practitioner, for referring a person to  
188 the litigation financier.

189 (4) Assign or securitize a litigation financing agreement,  
190 in whole or in part.

191 (5) Be assigned rights to or in a civil action, an  
192 administrative proceeding, a claim, or other legal proceeding  
193 for which the litigation financier provided financing, other  
194 than the right to receive a share of the proceeds of such  
195 action, claim, or proceeding pursuant to the litigation  
196 financing agreement.

197 **Section 7. Section 69.107, Florida Statutes, is created to**  
198 **read:**

199 69.107 Transparency for foreign litigation funders.—

200 (1) If a party to a civil action, administrative

201 proceeding, claim, or other legal proceeding, or that party's  
202 counsel of record, has entered into a litigation financing  
203 agreement with a foreign person, foreign principal, or sovereign  
204 wealth fund, the party shall, within 14 days after execution of  
205 the agreement or within 7 days after filing such action,  
206 whichever occurs first, file and serve a notice that:

207       (a) Identifies the existence of the funding relationship.

208       (b) Identifies the foreign person, foreign principal, or  
209 sovereign wealth fund by legal name and the jurisdiction under  
210 the law of which the litigation financing agreement is  
211 organized.

212       (c) Identifies each foreign person, foreign principal, or  
213 sovereign wealth fund that, directly or indirectly, owns or  
214 controls 3 percent or more of the capital, equity, or other  
215 beneficial ownership interests in the litigation financier,  
216 including the legal name, address, and citizenship or country of  
217 incorporation or registration of each such person or entity.

218       (2) The notice required in subsection (1) must be filed  
219 with the court, administrative agency, or tribunal in which the  
220 action is pending, served on all parties, and provided to the  
221 Department of Financial Services and the Office of the Attorney  
222 General.

223       (3) The dollar amounts, financing terms, and other  
224 proprietary or trade-secret information contained in or related  
225 to the litigation financing agreement are not required to be

226 disclosed in the notice. The court may permit the notice or  
227 supporting documentation to be filed under seal and may issue  
228 protective orders as necessary to safeguard proprietary or  
229 confidential information.

230 (4) A foreign funder or any person acting on behalf of the  
231 foreign funder may not:

232 (a) Use a domestic entity or affiliate to conceal or evade  
233 the disclosure requirements of this section; or

234 (b) Receive, transmit, or share proprietary, privileged,  
235 or national security-related information obtained through  
236 litigation financing with any foreign person, foreign principal,  
237 or sovereign wealth fund that is not a party or an attorney to  
238 the action.

239 (5) The requirements of this section apply to a litigation  
240 financing agreement entered into with a litigation financier if  
241 a foreign person, foreign principal, or sovereign wealth fund  
242 has provided or will provide funds, whether directly or  
243 indirectly, to the litigation financier that amount to 5 percent  
244 or more of the funds the financier has provided or is committed  
245 to provide under the litigation funding agreement.

246 (6) Failure to comply with this section may subject the  
247 noncomplying party to appropriate sanctions under s. 69.111 or  
248 the applicable rules of civil procedure. This section does not  
249 create a private cause of action.

250 **Section 8. Section 69.111, Florida Statutes, is created to**

251 **read:**

252 69.111 Penalties; enforcement.—

253 (1) A litigation financing agreement executed in violation  
254 of this part is void and unenforceable.

255 (2) A violation of s. 69.105 is a deceptive and unfair  
256 trade practice actionable under part II of chapter 501.

257 (3) A court, an agency, or a tribunal of competent  
258 jurisdiction may impose fines or any other sanction it deems  
259 appropriate upon any person who violates s. 69.107.

260 **Section 9.** If any provision of this act or its application  
261 to any person or circumstance is held invalid, the invalidity  
262 does not affect other provisions or applications of the act  
263 which can be given effect without the invalid provision or  
264 application, and to this end the provisions of this act are  
265 severable.

266 **Section 10.** The disclosure requirements in s. 69.107,  
267 Florida Statutes, as created by this act, apply to any civil  
268 action, administrative proceeding, claim, or other legal  
269 proceeding pending or commenced on or after July 1, 2026. Any  
270 party to or counsel of record for a civil action, an  
271 administrative proceeding, a claim, or other legal proceeding  
272 pending on July 1, 2026, who would have been required to make a  
273 disclosure under s. 69.107, Florida Statutes, had it been in  
274 effect at the time the relevant action occurred, must make such  
275 disclosure within 30 days after July 1, 2026. Failure to do so

276 is sanctionable as provided in s. 69.111, Florida Statutes.

277 **Section 11.** Except as otherwise provided herein, this act  
278 applies to a litigation financing agreement entered into on or  
279 after July 1, 2026.

280 **Section 12.** This act shall take effect July 1, 2026.