Office of the Governor State of Louisiana

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GOVERNOR



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June 15, 2023

VIA HAND DELIVERY

Honorable Page Cortez Louisiana Senate President Louisiana State Senate Post Office Box 94183 Baton Rouge, LA 70804

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SENATE SECRETARY'S OFFICE

RE: Veto of Senate Bill 196 of the 2023 Regular Session

Dear President Cortez:

Please be advised that I have vetoed Senate Bill 196 of the 2023 Regular Session. This piece of legislation is clearly a pretense designed to gain a litigation advantage under the guise of promoting transparency in litigation and protecting national security.

When there is a legitimate dispute between Louisiana citizens or small businesses and their insurers, commercial legal financing levels the playing field. Legal financing allows local companies and individuals with far fewer resources to pursue meritorious claims.

This bill would give large corporations and insurance companies a tactical advantage by allowing them to exploit their newfound knowledge of an individual or small business's litigation budget. Further, it would also force Louisiana citizens trying to recover from natural disasters to potentially reveal their assessment of the litigation, and other information provided to underwrite the legal merits of their claim.

Proponents of Senate Bill 196 argued the legislation is necessary for litigation transparency, but the bill only requires plaintiffs to unilaterally disclose their commercial legal financing arrangements. If true transparency is what was intended, the legislation would have required all parties to disclose their legal financing arrangements. The proposed structure has one desired outcome – to deter commercial legal finance companies from doing business in Louisiana. The only beneficiaries of this would be wrongdoers who can simply outlast victims because they have greater financial resources.

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The Louisiana Legislature should make every effort to level the playing field for all of those who are forced to litigate disputes. Instead, this bill operates to give one side in litigation an advantage, to the detriment of those who are seeking to recover from injury, economic damage, or property loss. As such, it will not become law.

Please find enclosed the vetoed Senate Bill 196.

Sincerely

John Bel Edwards

Governor

enclosure

cc: Honorable Clay Schexnayder

Speaker of the House of Representatives