

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 355** SLS 24RS 452

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> June 1, 2024	12:53 PM	<b>Author:</b> STINE
<b>Dept./Agy.:</b> Attorney General		<b>Analyst:</b> Daniel Druilhet
<b>Subject:</b> Regulation of Litigation Funding by a Foreign Third Party		

CONTRACTS

EN SEE FISC NOTE GF EX

Page 1 of 2

Provides for regulation of litigation funding by a third party that is a foreign person, state, or wealth fund. (8/1/24)

Proposed law establishes rules on limits on foreign third-party litigation funding; requires certain disclosures in writing by third party litigation funders to the attorney general (AG), in any civil action in which it has provided funds (sourced by a foreign person, state, or sovereign wealth fund) to defray expenses or the financial impact of a negative judgment; mandates the AG to produce a copy of any agreement creating a contingent right relative to proposed law; provides time limits applicable to parties who enter into an agreement and foreign third-party litigation funders in providing disclosure, certification, and litigation contracts; mandates disclosures be made under penalty of perjury; makes it unlawful for third-party litigation funders to knowingly enter into an agreement creating a right for anyone other than the named parties, counsel, or law firm of record, or receive or make payments contingent on the outcome of civil action involving the same counsel, the terms of which are satisfied by funds sourced from a foreign state or foreign sovereign wealth fund, or be assigned rights or direct or make any decisions regarding the course of any civil action in which it has provided funding; provides that agreements in violation of proposed law are absolutely null and deceptive trade practices; requires the AG to report once, annually, to the Senate President and House Speaker describing foreign involvement in litigation financing agreements in years prior; effective 8/01/24.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

**Annual Total**

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

**Annual Total**

**EXPENDITURE EXPLANATION**

Proposed law may result in an indeterminable increase in SGF expenditures in the Department of Public Safety & Corrections - Corrections Services (DPS&C-CS) and in the Louisiana Department of Justice (Attorney General).

**Department of Public Safety & Corrections - Corrections Services**

Proposed law may result in an indeterminable increase in SGF expenditures in the DPS&C-CS, to the extent that third party litigation funders are convicted of perjury for failure to make accurate disclosures of the source of litigation funding sourced from either a foreign person, foreign state, or sovereign wealth fund. Proposed law assesses a penalty of perjury for foreign third-party litigation funders who provide certification of inaccurate or incomplete disclosures to the attorney general related to the source of its litigation funding. The exact fiscal impact of the passage of this legislation is indeterminable, since it is not known how many people will be convicted, nor the length of the sentences assessed with those convictions as a result of its potential enactment.

*For informational purposes, the penalty assessed for conviction of perjury when committed in any civil action is imprisonment at hard labor for no more than 5 years, or a fine of no more than \$10,000, or both.*

CONTINUED ON PAGE 2

**REVENUE EXPLANATION**

Proposed law may result in an indeterminable increase in local revenues as a result of potential fines for perjury related to third-party litigation funders providing certification of inaccurate or incomplete disclosures to the attorney general related to the source of its litigation funding. The exact fiscal impact of the passage of this legislation on local revenue is indeterminable because the fines that would be imposed on those convicted are optional, and the amount of the fines, if imposed, may vary. The potential revenue will accrue to the local governing authority.

Proposed law may result in an indeterminable increase in SGR in the Office of the Attorney General, as it allows the Attorney General to impose fines on those in violation of the law. The exact fiscal impact of the passage of this legislation on SGR is indeterminable, as the authority provided to the Attorney General to impose fines is optional, and the amount of the fines, if imposed may vary.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**

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**CONTINUED EXPLANATION from page one:**  
**[CONTINUED FROM PAGE 1]**

For illustrative purposes, SGF expenditures will increase by \$107.60 per offender per day to the extent that an offender is convicted, sentenced, and then subsequently housed in a state facility or \$26.39 per offender per day for an offender housed in a local facility. Corrections Services reports that impacts on offender populations are anticipated to affect the number of offenders held in local facilities. Corrections Services reports that in managing its offender population, it seeks to fill all beds in state facilities first, then assigns overflow offenders to local facilities.

**Attorney General**

Proposed law may result in an indeterminable increase in SGF expenditures in the Office of the Attorney General, to the extent that the agency enforces compliance, imposes fines, prohibits third-party litigation funders from operating in the state, or imposes any other applicable sanctions for violation of the law. The exact fiscal impact to the Office of the Attorney General is indeterminable, as the proposed legislation provides the option to the attorney general to take enforcement measures, and it is not know the number of instances in which the Attorney General will take enforcement measures or the associated increased workload.

Proposed law also requires the attorney general to submit an annual report to the President of the Senate and the Speaker of the House of Representatives describing foreign involvement in litigation financing agreements in each preceding calendar year. The LFO presumes that any increased workload associated with completion of this annual report can be absorbed using existing staff and resources within the Office of the Attorney General.

Senate

Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**