

Senate Bill 69

By: Senators Kennedy of the 18th, Gooch of the 51st, Robertson of the 29th, Anavitarte of the 31st, Hatchett of the 50th and others

AS PASSED

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 7 and Article 5 of Chapter 11 of Title 9 of the Official Code of Georgia
2 Annotated, relating to banking and finance, and depositions and discovery under the
3 "Georgia Civil Practice Act," respectively, so as to regulate third-party litigation financing
4 practices in this state; to enact a new chapter regulating litigation financing practices; to
5 provide for definitions; to require and provide for the registration of litigation financiers; to
6 prohibit any person with relevant affiliations with foreign persons, foreign principals, or
7 sovereign wealth funds from serving as litigation financiers; to require amended registration
8 as a litigation financier; to provide for forms and filing fees; to provide for public disclosure
9 of documents and information; to provide for denial of registration or amended registration
10 as a litigation financier; to provide for notice of such denials; to provide for appeal of such
11 denials; to provide for prohibitions applicable to litigation financiers and exceptions; to
12 provide for joint and several liability for certain litigation financiers; to require litigation
13 financing contracts to include indemnification provisions; to require litigation financing
14 agreements to be memorialized in writing by litigation financing contracts; to provide for
15 required provisions and disclosures to be included in litigation financing contracts; to require
16 and provide for certain disclosures and acknowledgments in litigation financing agreements;

to provide for exemptions; to provide for the cancellation of litigation financing agreements; to provide for a criminal offense; to provide for the authority of the Attorney General and prosecuting attorneys to institute criminal proceedings; to provide for penalties; to authorize and provide for the department's participation in the nation-wide multistate licensing system and registry and for matters related thereto; to provide for the authority of the department and the commissioner of banking and finance; to provide for the discovery of litigation financing agreements in civil actions; to provide a short title; to amend Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, so as to provide for admissibility of evidence related to seat safety belts; to provide for related matters; to provide for effective dates and applicabilities; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This Act shall be known and may be cited as the "Georgia Courts Access and Consumer Protection Act."

SECTION 2.

Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is amended by adding a new chapter to read as follows:

"CHAPTER 10

7-10-1.

As used in this chapter, the term:

(1) 'Affiliate' or 'affiliated' means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.

(2) 'Commissioner' means the commissioner of banking and finance.

(3) 'Consumer' means any individual who resides, is present, or is domiciled in this state or who is or has standing to become a plaintiff, claimant, or complainant in a civil action, administrative proceeding, legal claim, or other legal proceeding or in pursuit of any claim or cause of action in this state.

(4) 'Department' means the Department of Banking and Finance.

(5) 'Entity' means any domestic or foreign corporation, partnership, limited partnership, limited liability company, trust, fund, plan, or any other business, enterprise, association, or organization of any kind or nature.

(6) 'Foreign person' means an individual or an entity that is not:

(A) A citizen of the United States;

(B) An alien lawfully admitted for permanent residence in the United States;

(C) An unincorporated association with a majority of members who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States;
or

(D) A corporation that is incorporated in the United States.

(7) 'Foreign principal' means:

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

(B) A political subdivision or political party of a country other than the United States;
or

(C) A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a country other than the United States whose shares or other ownership interest is owned

by the government or a government official of a country other than the United States or is owned by a political subdivision or political party of a country other than the United States.

(8) 'Legal representative' means any attorney, group of attorneys, or law firm duly licensed and authorized to practice law and to represent a consumer in a civil action, administrative proceeding, legal claim, or other legal proceeding seeking to recover damages in this state.

(9) 'Litigation financier' means any person engaged in or formed, created, or established for the purpose of engaging in any kind of business or economic activity that involves providing litigation financing in exchange for consideration of any kind.

(10)(A) 'Litigation financing agreement' or 'litigation financing' means an agreement in which a litigation financier agrees to provide financing to a consumer or entity that is or has standing to become a party to a civil action, administrative proceeding, legal claim, or other legal proceeding seeking to recover monetary damages, or to counsel for such consumer or entity, in exchange for a right to receive payment, which right is contingent in any respect on the outcome of such action, claim, or proceedings by settlement, judgment, or otherwise, or on the outcome of any matter within a portfolio that includes such action, claim, or proceedings and involves the same legal representative or affiliated representative.

(B) Such term shall not include:

(i) An agreement wherein a legal representative consents to provide legal services on a contingency fee basis or to advance his or her client's legal costs, and where such services or costs are provided by the legal representative in accordance with the Georgia Rules of Professional Conduct maintained and enforced by the State Bar of Georgia;

89 (ii) A preexisting contractual obligation to indemnify or defend a party to a civil
90 action, administrative proceeding, legal claim, or other legal proceeding seeking to
91 recover monetary damages, or any other legal proceeding;

92 (iii) Any obligation of a health insurer to pay any sums for healthcare for an injured
93 person under the terms of a health insurance plan or agreement;

94 (iv) Any obligation to repay a financial institution, as such term is defined in Code
95 Section 10-5A-1, for loans made directly to a party to a civil action, administrative
96 proceeding, legal claim, or other legal proceeding seeking to recover monetary
97 damages, or such party's legal representative, provided that such repayment of such
98 loan is not contingent upon the outcome of such action, claim, or proceedings, or on
99 the outcome of any matter within a portfolio that includes such action, claim, or
100 proceedings, and involves the same legal representative or affiliated legal
101 representative;

102 (v) Funding provided to a nonprofit organization that is funded by private donations,
103 represents one or more clients on a pro-bono, no-cost basis, and seeks only injunctive
104 relief on behalf of its clients; provided, however, that the provisions of this division
105 shall not be construed to prohibit or otherwise affect any award of costs or attorney's
106 fees to such nonprofit organization seeking only injunctive relief on behalf of a client
107 that such nonprofit organization represents on a pro-bono, no-cost basis, or to such
108 client; or

109 (vi) Banks, institutional investors, and persons that provide financing to a litigation
110 financier but do not engage in the business of litigation financing; provided, however,
111 that this exclusion shall not apply to banks, institutional investors, and persons
112 affiliated with a litigation financier.

113 (11) 'Litigation financing contract' or 'contract' means a written contract memorializing
114 the terms and conditions of a litigation financing agreement.

(12) 'Sovereign wealth fund' means an investment fund owned or controlled by a foreign principal or an agent of such foreign principal.

7-10-2.

(a) It is unlawful for a person to engage in litigation financing in this state unless such person is registered as a litigation financier as provided under this Code section.

(b) Each person registering as a litigation financier shall be authorized to do business in this state.

(c) To register as a litigation financier, a person shall file with the department a registration statement setting forth the following:

(1) The legal name of such person;

(2) The principal business address and preferred mailing address of such person;

(3) The telephone number and email address through which such person may be contacted;

(4) The name, principal business address, and preferred mailing address of such person's registered agent that is authorized to accept service of process on behalf of such person;

(5) The name, principal business address, and citizenship or country of incorporation or registration of any foreign person, foreign principal, or sovereign wealth fund affiliated with the person seeking to register as a litigation financier under this Code section in any capacity directly or indirectly related to such person's litigation financing business; and

(6) Any other information deemed necessary by the department.

(d) If the person seeking to register as a litigation financier is an entity, such entity shall file with the department a registration statement that provides, with respect to each person that directly or indirectly owns, controls, holds with the power to vote, or holds proxies representing 10 percent or more of the voting shares of the litigation financier, the following:

(1) The legal name of each such person;

141 (2) The principal business address and preferred mailing address of each such person;

142 (3) If the person is an individual:

143 (A) Such individual's occupation;

144 (B) Any offices and positions held with the person seeking to register as a litigation
145 financier during the past five years;

146 (C) Any conviction of a crime other than misdemeanor traffic violations during the
147 past ten years; and

148 (D) The name, principal business address, and citizenship or country of incorporation
149 or registration of any foreign person, foreign principal, or sovereign wealth fund
150 affiliated with such individual in any capacity directly or indirectly related to such
151 individual's litigation financing business;

152 (4) If the person is an entity:

153 (A) The nature of the entity's business operations during the past five years or a
154 description of the business intended to be undertaken by the entity and such entity's
155 subsidiaries, if any;

156 (B) A list of all individuals who are or who have been selected to become directors or
157 officers of the entity and each subsidiary of the entity, if any. Such list shall include for
158 each individual the information required by paragraph (3) of this subsection; and

159 (C) The name, principal business address, and citizenship or country of incorporation
160 or registration of any foreign person, foreign principal, or sovereign wealth fund
161 affiliated with the entity in any capacity directly or indirectly related to such entity's
162 litigation financing business; and

163 (5) Any other information deemed necessary by the department.

164 (e) No person shall be registered as a litigation financier or shall engage in litigation
165 financing in this state that is, in any capacity directly or indirectly related to such person's
166 litigation financing business, affiliated with any foreign government or foreign
167 nongovernment person or entity designated by the United States Secretary of Commerce

as a foreign adversary pursuant to 15 C.F.R. Section 7.4, or any foreign person, foreign principal, or sovereign wealth fund thereof.

(f) A person subject to registration under this Code section shall file, within 30 days of any change to the most recently filed registration or within 30 days of when such registration becomes inaccurate or incomplete in any respect, an amended registration with the department.

(g) The commissioner is authorized to prescribe the forms and the filing fees that he or she deems necessary for the purposes of this chapter.

(h) All documents and information filed with the department pursuant to this Code section are public records subject to disclosure pursuant to Article 4 of Chapter 18 of Title 50.

7-10-3.

(a) The department may deny a registration to act as a litigation financier or deny a registered litigation financier's amended registration pursuant to subsection (f) of Code Section 7-10-2 if the department finds that:

(1) The requirements of this chapter have not been met; or

(2) The applicant or registrant; any person who is a director, officer, partner, or owner of the applicant or registrant; or any individual who directs the affairs of or controls or establishes policy for the applicant or registrant has, within the last ten years, been convicted of a felony in any jurisdiction or of a crime which, if committed within this state, would constitute a felony under the laws of this state. For the purposes of this paragraph, a person shall be deemed to have been convicted of a crime if such person shall have pleaded guilty or nolo contendere to a charge thereof before a court or federal magistrate or shall have been found guilty of such crime by the decision or judgment of a court or federal magistrate or by the verdict of a jury, irrespective of the pronouncement of sentence or the suspension thereof and regardless of whether first offender treatment without adjudication of guilt pursuant to the charge was entered or an adjudication or

sentence was otherwise withheld or not entered on such charge, unless and until such plea of guilty or such decision, judgment, or verdict shall have been set aside, reversed, or otherwise abrogated by lawful judicial process or until probation, sentence, or both, of a first offender without adjudication of guilt have been successfully completed and documented or unless the person convicted of the crime shall have received a pardon for such crime from the President of the United States or the governor or other pardoning authority in the jurisdiction where the conviction occurred.

(b) Notice of the department's intention to enter an order denying a registration or an amended registration shall be provided to the applicant or registrant in writing, sent by registered or certified mail or statutory overnight delivery addressed to the principal place of business of such applicant or registrant. If a person refuses to accept service of the notice by registered or certified mail or statutory overnight delivery, the notice or order shall be served by the commissioner or the commissioner's authorized representative under any other method of lawful service, and the person shall be personally liable to the commissioner for a sum equal to the actual costs incurred to serve the notice or order. Such liability shall be paid upon notice and demand by the commissioner or the commissioner's authorized representative and shall be assessed and collected in the same manner as other fees or fines administered by the commissioner.

(c) Within 20 days of the date of the notice of intention to enter an order denying a registration or an amended registration, the applicant or registrant may request in writing a hearing to contest the order. If a hearing is not requested in writing within 20 days of the date of such notice of intention, the department shall enter a final order regarding the denial. Any final order of the department denying a registration or an amended registration shall state the grounds upon which it is based and shall be effective on the date of issuance. A copy of such order shall be forwarded promptly by mail addressed to the principal place of business of such applicant or registrant.

(d) A decision by the department denying a registration or an amended registration shall be subject to review in accordance with Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

7-10-4.

(a) A litigation financier shall not:

(1) Direct, or make any decisions with respect to, the course of any civil action, administrative proceeding, legal claim, or other legal proceeding for which such litigation financier has provided litigation financing, or any settlement or other disposition thereof.

Such prohibition includes, but is not limited to, decisions in appointing or changing legal representatives, choice or use of expert witnesses, and litigation strategy. All rights to make decisions with respect to the course and settlement or other disposition of the subject civil action, administrative proceeding, legal claim, or other legal proceeding shall remain solely with the parties to such action, claim, or proceedings and their legal representatives. The provisions of this paragraph shall be strictly construed in favor of

the individual or entity receiving litigation financing and against the litigation financier;

(2) Pay or offer commissions, referral fees, rebates, or other forms of consideration to any person, including, but not limited to, an attorney or any employee of an attorney or a law firm, in exchange for referring a consumer or such consumer's legal representative to a litigation financier; provided, however, that this paragraph shall not apply to an employee, agent, or affiliate of the litigation financier;

(3) Accept any commissions, referral fees, rebates, or other forms of consideration from any person, including, but not limited to, an attorney or any employee of an attorney or a law firm, for providing any goods or rendering any services to the consumer; provided, however, that this paragraph shall not apply to an employee, agent, or affiliate of the litigation financier;

(4) Contract for, receive, or recover, whether directly or indirectly, any amount greater than an amount equal to the share of the proceeds collectively recovered by the plaintiffs or claimants in a civil action, administrative proceeding, legal claim, or other legal proceeding seeking to recover monetary damages financed by a litigation financing agreement after the payment of any attorney's fees and costs owed in connection to such action, claim, or proceedings;

(5) Advertise false or misleading information regarding its products or services;

(6) Refer or require any consumer to hire or engage any person providing any goods or rendering any services to the consumer;

(7) Fail to promptly deliver a fully completed and signed litigation financing contract to the consumer and the consumer's legal representative;

(8) Attempt to secure a remedy or obtain a waiver of any remedy, including, but not limited to, compensatory, statutory, or punitive damages, that the consumer may or may not be entitled to pursue or recover otherwise;

(9) Offer or provide legal advice to the consumer;

(10) Assign or securitize a litigation financing agreement in whole or in part; provided, however, that, if the litigation financier retains responsibility for collecting payment, administering, and otherwise enforcing the litigation funding contract, the prohibition provided in this paragraph shall not apply to an assignment;

(A) To a wholly owned subsidiary of the litigation financier;

(B) To an affiliate of the litigation financier that is under common control; or

(C) Granting a security interest under Article 9 of the Uniform Commercial Code or as otherwise permitted by law; or

(11) Report a consumer to a credit reporting agency if insufficient funds remain to repay the litigation financier in full from the proceeds received from any judgment, award, settlement, verdict, or other form of monetary relief obtained in a civil action,

administrative proceeding, legal claim, or other legal proceeding that is the subject of the litigation financing agreement.

(b) No person that provides any goods or renders any services related to the litigation to the consumer shall have a financial interest in litigation financing provided by a litigation financier to such consumer, and no such person shall receive any commissions, referral fees, rebates, or other forms of consideration from any litigation financier or the litigation financier's agents, employees, owners, or affiliates.

7-10-5.

(a) A litigation financier that agrees to provide \$25,000.00 or more in funding pursuant to a litigation financing agreement may be jointly and severally liable for any award or order imposing or assessing costs or monetary sanctions for frivolous litigation against a consumer, entity, or a legal representative of such consumer or entity arising from or relating to any civil action, administrative proceeding, legal claim, or other legal proceeding for which the litigation financier is providing litigation financing; provided, however, that where the litigation financier's right of repayment is a fixed amount set by contract, the liability of such litigation financier shall not exceed the right of repayment less the amount already extended.

(b) In each litigation financing contract, the litigation financier shall agree to indemnify, and shall indemnify even without such agreement, the plaintiffs and claimants to the civil action, administrative proceeding, legal claim, or other legal proceeding that is the subject of such litigation financing agreement and such plaintiffs' and claimants' legal representatives against any adverse costs, attorney's fees, damages, or sanctions that may be ordered or awarded against such persons in such action, claim, or proceedings; provided, however, that such indemnification shall not be required or enforceable for adverse costs, attorney's fees, damages, or sanctions that the litigation financier can show resulted from the intentional misconduct of such plaintiffs or claimants or their legal representatives.

7-10-6.

(a) The terms and conditions of a litigation financing agreement shall be set forth in a fully completed, written litigation financing contract with no material terms or conditions omitted, and such contract shall contain all material terms and conditions at the time it is signed by any party, including, but not limited to the right to cancel such litigation financing agreement without penalty or further obligation within five business days from the date the litigation financing contract is executed by or on behalf of the consumer or the date litigation financing is received from the litigation financier, whichever date is later.

(b) Upon execution of a litigation financing contract, a litigation financier shall not amend the terms or conditions of the litigation financing agreement that is memorialized by such contract without full disclosure to and prior written consent of all parties to such litigation financing agreement.

(c) Each litigation financing contract with a consumer shall set forth the name, principal business address, and preferred mailing address of the litigation financier on the first page of such contract, and the following disclosures shall be typed in at least 14 point bold font and placed clearly and conspicuously immediately above the consumer's signature line in the litigation financing contract:

'IMPORTANT DISCLOSURES -- PLEASE READ CAREFULLY

1. Right to Cancellation: You, the consumer, or your legal representative may cancel this litigation financing agreement without penalty or further obligation within five (5) business days from the date you sign this contract or the date you receive financing from the litigation financier, whichever date is later. You or your legal representative may cancel this litigation financing agreement by sending a notice of cancellation to the litigation financier and returning to the litigation financier any funds received from the litigation financier at the litigation financier's preferred mailing address set forth on page 1 of this contract.

323 2. The maximum amount the litigation financier may receive or recover from any
324 contingent payment provided for in this litigation financing agreement shall be no
325 more than an amount equal to the share of the proceeds collectively recovered by the
326 plaintiffs or claimants in a civil action, administrative proceeding, legal claim, or
327 other legal proceeding seeking to recover monetary damages financed by this
328 litigation financing agreement after the payment of any attorney's fees and costs owed
329 in connection to such action, claim, or proceedings.

330 3. The litigation financier agrees that it has no right to, and will not demand, request,
331 receive, or exercise any right to, influence, affect, or otherwise make any decision in
332 the handling, conduct, administration, litigation, settlement, or resolution of your civil
333 action, administrative proceeding, legal claim, other legal proceeding. All of these
334 rights remain solely with you and your legal representative.

335 4. You, the consumer, are not required by the terms of this litigation financing
336 agreement to continue to be represented by any particular legal representative, and the
337 litigation financing agreement does not include any right for the litigation financier,
338 any legal representative, or any other person to claim or seek to recover any
339 assessment, charge, fee, penalty, or damages of any kind if you elect to change legal
340 representatives at any time.

341 5. If there is no recovery of any money from your civil action, administrative
342 proceeding, legal claim, or other legal proceeding, or if there is not enough money to
343 satisfy in full the portion assigned to the litigation financier, you will not owe
344 anything in excess of your recovery.

345 6. You are entitled to a fully completed litigation financing contract with no material
346 terms or conditions omitted prior to signing. Before signing the litigation financing
347 contract, or authorizing anyone to sign it on your behalf, you should read the contract
348 completely and consult an attorney.'

(d) Only the consumer shall be authorized to execute a litigation financing contract on his or her own behalf, except in such cases where the consumer lacks the legal capacity to execute a contract. The consumer's legal representative in the civil action, administrative proceeding, legal claim, or other legal proceeding seeking to recover monetary damages financed by the corresponding litigation financing agreement shall not execute a litigation financing contract on behalf of the consumer. A litigation financing contract executed by such legal representative on behalf of such consumer shall be void and unenforceable as a matter of law.

(e) If the consumer is represented by a legal representative in the civil action, administrative proceeding, legal claim, or other legal proceeding that is the subject of the litigation financing agreement, the legal representative shall acknowledge in the litigation financing contract that the legal representative and the legal representative's employer and employees have not received or paid a commission, referral fee, rebate, or any other consideration from or to the litigation financier and have no obligation to do so in the future.

(f) If the consumer's legal representative is a party to a litigation financing agreement related to the consumer's civil action, administrative proceeding, legal claim, or other legal proceeding that is the subject of the consumer's litigation financing agreement, the legal representative shall disclose and deliver a copy of his or her litigation financing contract to the consumer. Following such disclosure and delivery, the consumer shall sign an acknowledgment that the consumer has read and understands the terms and conditions of his or her legal representative's litigation financing contract. Such consumer shall be provided with a copy of such signed acknowledgment.

7-10-7.

The provisions of this chapter shall not apply to:

(1) A nonprofit entity that provides litigation financing, directly or indirectly, for the benefit of such nonprofit entity or one or more of its members without receiving, in consideration for the litigation financing:

(A) The payment of interest, fees, or other consideration; or

(B) Except for in-house counsel of such nonprofit entity, any right to recovery or payment from the amount of any judgment, award, settlement, verdict, or other form of monetary relief obtained in the civil action, administrative proceeding, legal claim, or other legal proceeding;

(2) Any litigation financing provided by an entity engaged in commerce or business activity; provided, however, that this exemption shall apply only if such entity does not:

(A) Charge, contract for, collect, or receive any interest, fees, or other consideration;

(B) Retain or receive any financial interest in the outcome of the civil action, administrative proceeding, legal claim, or other legal proceeding; or

(C) Retain or receive any right to recovery or payment from the amount of any judgment, award, settlement, verdict, or other form of monetary relief obtained in the civil action, administrative proceeding, legal claim, or other legal proceeding; or

(3) A lender that does not receive, in consideration for loaning money to any person, a right to receive payment from the value of any proceeds or other consideration realized from any judgment award, settlement, verdict, or other form of monetary relief any person may receive or recover in relation to any civil action, administrative proceeding, legal claim, or other legal proceeding.

7-10-8.

Any violation of this chapter by a litigation financier renders the litigation financing agreement void and unenforceable by such litigation financier or any successor-in-interest to the litigation financing agreement.

399 7-10-9.

400 (a) It is unlawful for a litigation financier to enter into or offer to enter into a litigation
401 financing agreement unless such litigation financier is registered under this chapter.

402 (b) A person that willfully violates this chapter shall be guilty of a felony and upon
403 conviction thereof, shall be imprisoned not less than one nor more than five years, or fined
404 not more than \$10,000.00, or both; provided, however, that on the recommendation of the
405 jury trying the case, when such recommendation is approved by the judge presiding on the
406 trial, such crime shall be punished as a misdemeanor. If the judge trying the case deems
407 it proper, such judge may, in fixing the punishment, reduce such felony to a misdemeanor.

408 (c) The commissioner may refer to the Attorney General or the proper prosecuting attorney
409 the name of any person acting as a litigation financier that is not registered or any applicant
410 or registrant that is or may not be in compliance with this chapter; provided, however, that
411 the Attorney General or the proper prosecuting attorney may institute criminal proceedings
412 under this chapter with or without such referral.

413 (d) This chapter does not limit the power of this state to punish a person for conduct that
414 constitutes a crime under other laws of this state.

415 7-10-10.

416 (a) The department is authorized to:

417 (1) Participate in the nation-wide multistate licensing system and registry in order to
418 facilitate the sharing of information and standardization of the registration processes for
419 litigation financiers by electronic or other means;

420 (2) Enter into operating agreements, information sharing agreements, interstate
421 cooperative agreements, and other contracts necessary for the department's participation
422 in the nation-wide multistate licensing system and registry;

(3) Request that the nation-wide multistate licensing system and registry adopt an appropriate privacy, data security, and security breach notification policy that is in full compliance with existing state and federal law;

(4) Disclose or cause to be disclosed without liability via the nation-wide multistate licensing system and registry registration information, including, but not limited to, violations of this chapter and enforcement actions;

(5) Establish and adopt, by rule or regulation, requirements for participation by registrants in the nation-wide multistate licensing system and registry upon the department's determination that each new or amended requirement is consistent with both the public interest and the purposes of this chapter; and

(6) Pay all fees received from applicants and registrants related to registrations to the Office of the State Treasurer; provided, however, that the department may net such fees to recover the cost of participation in the nation-wide multistate licensing system and registry.

(b) Irrespective of its participation in the nation-wide multistate licensing system and registry, the department retains full and exclusive authority over determinations whether to grant registrations to litigation financiers under this chapter. Nothing in this Code section shall be construed to reduce this authority.

(c) Applicants and registrants shall be required to pay any charges associated with their utilization of the nation-wide multistate licensing system and registry.

7-10-11.

The commissioner is authorized to adopt rules and other policies in overseeing the practice of litigation financing consistent with this chapter."

SECTION 3.

Article 5 of Chapter 11 of Title 9 of the Official Code of Georgia Annotated, relating to depositions and discovery under the "Georgia Civil Practice Act," is amended in Code Section 9-11-26, relating to general provisions governing discovery, by adding a new paragraph to subsection (b) to read as follows:

"(2.1)(A) **Litigation financing agreement.** A party may obtain discovery of the existence and terms and conditions of any litigation financing agreement, as such term is defined in Code Section 7-10-1, the subject of which is or includes the pending action; provided, however, that this subparagraph shall not apply to nonparties unless the litigation financing agreement is for \$25,000.00 or more in funding.
(B) Information concerning the litigation financing agreement is not by reason of disclosure admissible in evidence at trial; provided, however, that nothing in this subparagraph shall be construed to limit the admissibility of such information as evidence of a party's claim or defense;"

SECTION 4.

Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, is amended in Code Section 40-8-76.1, relating to use of safety belts in passenger vehicles, by revising subsection (d) as follows:

"(d)(1) The failure of an occupant of a motor vehicle to wear a seat safety belt in any seat of a motor vehicle which has a seat safety belt or belts shall not be considered evidence of negligence or causation, shall not otherwise be considered by the finder of fact on any question of liability of any person, corporation, or insurer, shall not be any basis for cancellation of coverage or increase in insurance rates, and shall not may be considered in any civil action as evidence admissible on the issues of negligence, comparative negligence, causation, assumption of risk, or apportionment of fault or for any other purpose and may be evidence used to diminish any recovery for damages arising out of the ownership, maintenance, occupancy, or operation of a motor vehicle; provided,

473 however, that this paragraph shall not prevent a court from determining the admissibility
474 of such evidence pursuant to Code Section 24-4-403 or any other statutory or common
475 law rule of evidence.

476 (2) The failure of an occupant of a motor vehicle to wear a seat safety belt in any seat of
477 a motor vehicle which has a seat safety belt or belts shall not be any basis for a
478 cancellation of insurance coverage or an increase in insurance rate."

479 SECTION 5.

480 (a) Except as provided in subsections (b) and (c) of this section, this Act shall become
481 effective on January 1, 2026.

482 (b) Section 3 of this Act shall become effective upon its approval by the Governor or upon
483 its becoming law without such approval and shall apply to:

484 (1) Any civil action, administrative proceedings, legal claims, or other legal proceedings
485 commenced on or after the effective date of this Act; and

486 (2) Any contracts entered into on or after the effective date of this Act.

487 (c)(1) Section 4 of this Act shall become effective upon its approval by the Governor or
488 upon its becoming law without such approval.

489 (2) Section 4 of this Act shall not apply to causes of action pending on the effective date
490 of this Act. Section 4 of this Act shall apply only to causes of action commenced on or
491 after the effective date of this Act, and any causes of action commenced prior to the
492 effective date of this Act shall be governed by prior law.

493 SECTION 6.

494 All laws and parts of laws in conflict with this Act are repealed.