

# **WEST VIRGINIA LEGISLATURE**

## **2024 REGULAR SESSION**

**Introduced**

### **Senate Bill 850**

By Senator Trump

[Introduced February 19, 2024; referred  
to the Committee on the Judiciary]

1 A BILL to amend and reenact §46A-6N-1 of the Code of West Virginia, 1931, as amended, all  
 2 relating to the Consumer Credit and Protection Act; defining terms; removing commercial  
 3 tort claims exclusion from definition of litigation financing; and excluding certain non-profit  
 4 organizations from the definition of litigation financing.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 6N. CONSUMER LITIGATION FINANCING.**

**§46A-6N-1. Definitions.**

1 For purposes of this article:

2 (1) "Consumer" means any ~~natural~~ person who resides, is present, or is domiciled in this  
 3 state;

4 (2) "Litigation financier" means a person, entity, or partnership engaged in the business of  
 5 litigation financing; and

6 (3) "Litigation financing" or "litigation financing transaction":

7 (A) Means a ~~nonrecourse~~ transaction in which financing is provided to a consumer in return  
 8 for a consumer's assigning to the litigation financier a contingent right to receive an amount of the  
 9 potential proceeds of the consumer's judgment, award, settlement, or verdict obtained with  
 10 respect to the consumer's legal claim; and

11 (B) Does not include:

12 (i) Legal services provided on a contingency fee basis, or advanced legal costs, where  
 13 such services or costs are provided to or on behalf of a consumer by an attorney representing the  
 14 consumer in the dispute and in accordance with the West Virginia Rules of Professional Conduct;

15 (ii) A consumer loan, as defined by §46A-1-102 of this code;

16 ~~(iii) A commercial tort claim, as defined by §46-9-102 of this code~~

17 ~~(iv)~~(iii) A claim under the Workers' Compensation Law, compiled in chapter 23 of this code;

18 or

19 ~~(v)~~(iv) Normal or course of business lending or financing arrangements between an

20 attorney or law firm and a lending institution; or  
21 (v) Nonprofit organizations, provided the nonprofit only use or provide financing, by grant  
22 or otherwise, in actions seeking injunctive relief, equitable relief, compensatory damages equal to  
23 or below \$100,000, or attorney's fees.

NOTE: The purpose of this bill is to define terms, remove commercial tort claims exclusion from definition of litigation financing, and exclude certain non-profit organizations from the definition of litigation financing.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.