

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 199

Introduced by Sorrentino, 39.

Read first time January 14, 2025

Committee: Judiciary

1 A BILL FOR AN ACT relating to civil actions; to amend sections 25-3301,
2 25-3302, and 25-3309, Reissue Revised Statutes of Nebraska; to
3 change the statute of limitations for actions for personal injury;
4 to provide for applicability; to include administrative proceedings
5 within the Nonrecourse Civil Litigation Act, require certain
6 disclosures by consumers, and provide for discipline against a
7 certificate of registration; to provide a duty for the Revisor of
8 Statutes; and to repeal the original sections.
9 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** (1) An action for personal injury can only be brought
2 within two years.

3 (2) This section shall only apply to causes of action accruing on or
4 after the effective date of this act.

5 **Sec. 2.** Section 25-3301, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 25-3301 Sections 25-3301 to 25-3309 and section 4 of this act shall
8 be known and may be cited as the Nonrecourse Civil Litigation Act.

9 **Sec. 3.** Section 25-3302, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 25-3302 For purposes of the Nonrecourse Civil Litigation Act:

12 (1) Civil litigation funding company means a person or entity that
13 enters into a nonrecourse civil litigation funding transaction with a
14 consumer;

15 (2) Consumer means a person residing or domiciled in Nebraska or who
16 elects to enter into a transaction under the act, whether it be in
17 person, over the Internet, by facsimile, or by any other electronic
18 means, and who has a pending legal claim and is represented by an
19 attorney at the time he or she receives the nonrecourse civil litigation
20 funding;

21 (3) Legal claim includes means a civil claim or action or a claim
22 presented in an administrative proceeding; and

23 (4) Nonrecourse civil litigation funding means a transaction in
24 which a civil litigation funding company purchases and a consumer assigns
25 the contingent right to receive an amount of the potential proceeds of
26 the consumer's legal claim to the civil litigation funding company out of
27 the proceeds of any realized settlement, judgment, award, or verdict the
28 consumer may receive in the legal claim.

29 **Sec. 4.** (1) Except as otherwise stipulated or ordered by a court of
30 competent jurisdiction, a consumer or the consumer's attorney shall,
31 without awaiting a discovery request, disclose and deliver a copy of any

1 contract for nonrecourse civil litigation funding to the following
2 persons:

3 (a) Each party to the legal claim or each party's attorney;

4 (b) Any court, agency, or tribunal in which the legal claim is
5 pending; and

6 (c) Any known person, including an insurer, with a preexisting
7 contractual obligation to indemnify or defend a party to the legal claim.

8 (2) The disclosure obligation under subdivision (1)(c) of this
9 section exists regardless of whether a civil action or an administrative
10 proceeding has commenced.

11 (3) The disclosure obligation under subsection (1) of this section
12 is a continuing obligation. Within thirty days after entering into a new
13 contract for nonrecourse civil litigation funding or amending an existing
14 contract, the consumer or the consumer's attorney shall disclose and
15 deliver any new or amended contract.

16 (4) The existence of a contract for nonrecourse civil litigation
17 funding and all participants or parties to such contract are permissible
18 subjects of discovery in any legal claim for which litigation funding is
19 provided under the contract.

20 **Sec. 5.** Section 25-3309, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 25-3309 (1) The Secretary of State shall issue a certificate of
23 registration to a civil litigation funding company who complies with
24 subsection (2) of section 25-3307 or a renewal of registration under
25 subsection (3) of section 25-3307.

26 (2) The Secretary of State may refuse to issue a certificate of
27 registration if the Secretary of State determines that the character,
28 fitness, or financial responsibility of the civil litigation funding
29 company are such as to warrant belief that the business will not be
30 operated honestly or fairly within the purposes of the Nonrecourse Civil
31 Litigation Act.

1 (3) The Secretary of State may suspend, revoke, or refuse to renew a
2 certificate of registration (a) for conduct that would have justified
3 denial of registration under subsection (2) of section 25-3307, (b) ~~or~~
4 for violating section 25-3304, or (c) for knowingly violating section 4
5 of this act.

6 (4) The Secretary of State may deny, suspend, revoke, or refuse to
7 renew a certificate of registration only after proper notice and an
8 opportunity for a hearing. The Administrative Procedure Act applies to
9 the Nonrecourse Civil Litigation Act.

10 (5) The Secretary of State may issue a temporary certificate of
11 registration while an application for registration or renewal of
12 registration is pending.

13 (6) The Secretary of State shall require a civil litigation funding
14 company registered pursuant to the act to annually submit certain data,
15 in a form prescribed by the Secretary of State that contains:

16 (a) The number of nonrecourse civil litigation fundings;

17 (b) The amount of nonrecourse civil litigation fundings;

18 (c) The number of nonrecourse civil litigation fundings required to
19 be repaid by the consumer;

20 (d) The amount charged to the consumer, including, but not limited
21 to, the annual percentage fee charged to the consumer and the itemized
22 fees charged to the consumer; and

23 (e) The dollar amount and number of cases in which the realization
24 to the civil litigation funding company was less than contracted.

25 (7) The Secretary of State shall annually prepare and electronically
26 submit a report to the Clerk of the Legislature and to the Judiciary
27 Committee of the Legislature on the status of nonrecourse civil
28 litigation funding activities in the state. The report shall include
29 aggregate information reported by registered civil litigation funding
30 companies.

31 **Sec. 6.** The Revisor of Statutes shall assign section 1 of this act

1 to Chapter 25, article 2.

2 **Sec. 7.** Original sections 25-3301, 25-3302, and 25-3309, Reissue

3 Revised Statutes of Nebraska, are repealed.