General Assembly

Raised Bill No. 1544

January Session, 2025

LCO No. **6769**

Referred to Committee on JUDICIARY

Introduced by:
(JUD)

AN ACT CONCERNING PRESETTLEMENT LEGAL FUNDING AND LOANS MADE IN CONNECTION WITH THE ANTICIPATED RECEIPT OF A WRONGFUL INCARCERATION AWARD.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective from passage*) (a) The Commissioner of Banking, or the commissioner's designee, shall study and report: (1) On consumer complaints made against entities subject to the provisions of title 36a of the general statutes, for the five-year period commencing on July 1, 2020, and ending on June 30, 2025, relating to (A) any alleged impropriety in the provision of presettlement legal funding to a person seeking compensation for wrongful incarceration under section 54-102uu of the general statutes; (B) any unlicensed entity providing a small loan to a person with respect to the anticipated proceeds from a wrongful incarceration award under section 54-102uu of the general statutes; (C) any consent decree entered into between the department and an entity subject to the provisions of title 36a of the general statutes relating to an alleged impropriety in the provision of presettlement legal funding to a person seeking compensation for wrongful incarceration under section 54-102uu of the general statutes; and (D) any other

enforcement actions taken by the department with respect to a consumer complaint against an entity subject to the provisions of title 36a of the general statutes relating to presettlement legal funding or a loan made in connection with the anticipated proceeds from a wrongful incarceration award under section 54-102uu of the general statutes; and (2) in consultation with the Commissioner of Consumer Protection and the Attorney General, on recommended legislative changes needed to provide enhanced consumer protections to a person seeking compensation for wrongful incarceration under section 54-102uu of the general statutes, who, prior to receiving any compensation, enters into an agreement with an entity for the receipt of certain sums of money, which sums of money are to be repaid to the entity upon the receipt of the wrongful incarceration award.

(b) The Commissioner of Banking, or the commissioner's designee, shall submit the report in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to the judiciary, banking and consumer protection on or before January 15, 2026.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	New section

Statement of Purpose:

To require the Commissioner of Banking to report on consumer complaints made with respect to presettlement legal funding and loans made in connection with the anticipated receipt of a wrongful incarceration award.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]