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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To amend title 28, United States Code, to provide for transparency and oversight of third-party beneficiaries in civil actions.

IN THE HOUSE OF REPRESENTATIVES

Mr. ISSA introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend title 28, United States Code, to provide for transparency and oversight of third-party beneficiaries in civil actions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Litigation Trans-
5 parency Act of 2024”.

1 **SEC. 2. TRANSPARENCY AND OVERSIGHT OF THIRD-PARTY**
2 **BENEFICIARIES IN CIVIL CASES.**

3 (a) IN GENERAL.—Chapter 111 of title 28, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 **“§ 1660. Third-party beneficiary disclosure**

7 “(a) IN GENERAL.—Except as provided in subsection
8 (b), in any civil action, a party or any counsel of record
9 for a party shall—

10 “(1) disclose in writing to the court and all
11 other named parties to the civil action the identity
12 of any person (other than counsel of record) that
13 has a right to receive any payment or thing of value
14 that is contingent on the outcome of the civil action
15 or a group of actions of which the civil action is a
16 part; and

17 “(2) produce to the court and to each other
18 named party to the civil action, for inspection and
19 copying, any agreement creating a contingent right
20 referred to in paragraph (1), including any ancillary
21 agreement or document, except as otherwise stipu-
22 lated or ordered by the court.

23 “(b) EXCEPTION.—The requirements under sub-
24 section (a) shall not apply with respect to a person that
25 has a right to receive payment described in subsection
26 (a)(1) if the right to receive payment is solely—

1 “(1) the repayment of the principal of a loan;

2 “(2) the repayment of the principal of a loan

3 plus interest that does not exceed the higher of 7

4 percent or a rate two times the annual average 30-

5 year constant maturity Treasury yield, as published

6 by the Board of Governors of the Federal Reserve

7 System, for the year preceding the date on which the

8 relevant agreement was executed; or

9 “(3) the reimbursement of attorney’s fees.

10 “(c) TIMING.—The disclosures required by subsection

11 (a) shall be made not later than the later of—

12 “(1) 10 days after the execution of any agree-

13 ment described in subsection (a)(2); or

14 “(2) the time of the filing of the action before

15 the court.

16 “(d) DUTY TO CORRECT.—A party or counsel of

17 record that made a disclosure required by this section shall

18 supplement or correct each such disclosure in a timely

19 manner—

20 “(1) if such party or counsel of record learns

21 that the disclosure is or has become incomplete or

22 incorrect in some material respect, if the additional

23 or corrective information has not otherwise been

24 made known to the other parties during the dis-

25 covery process or in writing; or

1 “(2) as ordered by the court.”.

2 (b) CLERICAL AMENDMENT.—The table of sections
3 for chapter 111 of title 28, United States Code, is amend-
4 ed by adding at the end the following:

“1660. Third-party beneficiary disclosure.”.

5 **SEC. 3. APPLICABILITY.**

6 The amendments made by this Act shall apply to any
7 civil action pending on or commenced after the date of
8 enactment of this Act.