

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 25-1033.01 Chelsea Princell x4335

**HOUSE BILL 25-1329**

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**HOUSE SPONSORSHIP**

**Mabrey and Soper**, Bacon, Caldwell, Clifford, Espenosa, Garcia, Ricks, Rutinel, Sirota, Story, Zokaie

**SENATE SPONSORSHIP**

**Frizell and Gonzales J.**,

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**House Committees**

Judiciary

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**A BILL FOR AN ACT**

101      **CONCERNING FOREIGN THIRD-PARTY LITIGATION FINANCING FOR**  
102      **CIVIL ACTIONS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill requires a foreign third-party funder that enters into a litigation financing agreement to disclose and submit certain information to the Colorado attorney general.

The bill prohibits a foreign third-party funder from taking part in certain activities.

The bill subjects a litigation financing agreement to discovery

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

HOUSE  
3rd Reading Unamended  
April 25, 2025

HOUSE  
Amended 2nd Reading  
April 23, 2025

under the Colorado rules of civil procedure and Colorado rules of evidence.

The bill deems a litigation financing agreement entered into by a foreign third-party litigation funder void if the foreign third-party litigation funder fails to comply with the activity and disclosure requirements.

The bill allows the attorney general to bring legal action against a foreign third-party litigation funder to enforce compliance with the bill, impose fines, prohibit a foreign third-party litigation funder from operating in this state, or impose any other sanction the attorney general deems appropriate for a violation of the activity or disclosure requirements.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 13-16-126 as  
3 follows:

4 **13-16-126. Transparency and limitations on third-party**  
5 **litigation funding - unfair or deceptive trade practices - enforcement**  
6 **- definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT  
7 OTHERWISE REQUIRES:

8 (a) "ATTORNEY" MEANS AN ATTORNEY, GROUP OF ATTORNEYS, OR  
9 LAW FIRM THAT REPRESENTS A PARTY IN A CIVIL ACTION IN THIS STATE.

10 (b) "FOREIGN COUNTRY OF CONCERN" MEANS A FOREIGN  
11 GOVERNMENT LISTED IN 15 CFR 7.4 AND INCLUDES AN AGENCY OF, OR  
12 ANY OTHER ENTITY WITH SIGNIFICANT CONTROL OF, THE FOREIGN  
13 COUNTRY OF CONCERN.

14 (c) "FOREIGN ENTITY" MEANS AN ENTITY THAT IS EITHER OWNED  
15 OR CONTROLLED BY THE GOVERNMENT OF A FOREIGN COUNTRY OF  
16 CONCERN OR A PARTNERSHIP, ASSOCIATION, CORPORATION, OR  
17 ORGANIZATION UNDER THE LAW OF, OR HAVING ITS PRINCIPAL PLACE OF  
18 BUSINESS IN, A FOREIGN COUNTRY OF CONCERN OR A SUBSIDIARY  
19 THEREOF.

1           (d) "FOREIGN THIRD-PARTY LITIGATION FUNDER" MEANS A  
2 FOREIGN ENTITY THAT IS A THIRD-PARTY LITIGATION FUNDER.

3           (e) "LITIGATION EXPENSES" MEANS COSTS TYPICALLY INCURRED  
4 IN THE COURSE OF CIVIL LITIGATION, INCLUDING FILING FEES, EXPERT  
5 WITNESS FEES, TRANSCRIPT FEES, COURT COSTS, TRAVEL EXPENSES, AND  
6 OFFICE OVERHEAD. "LITIGATION EXPENSES" DOES NOT INCLUDE FUNDS  
7 INTENDED FOR USE BY A PARTY FOR PERSONAL OR FAMILIAL EXPENSES  
8 SUCH AS FOOD, RENT, MORTGAGE PAYMENTS, CAR PAYMENTS, OR MEDICAL  
9 BILLS.

10          (f) "LITIGATION FINANCING" MEANS THE FINANCING, FUNDING,  
11 ADVANCING, OR LENDING OF MONEY TO PAY FOR LITIGATION EXPENSES OR  
12 AN AGREEMENT TO PAY LITIGATION EXPENSES DIRECTLY RELATED TO  
13 PURSUING A LEGAL CLAIM, ADMINISTRATIVE PROCEEDING, OR CAUSE OF  
14 ACTION IF THE FINANCING, FUNDING, ADVANCING, OR LENDING OF MONEY  
15 IS PROVIDED BY A PERSON OTHER THAN THE PERSON WHO IS:

16           (I) A PARTY TO THE CIVIL ACTION, ADMINISTRATIVE PROCEEDING,  
17 CLAIM, OR CAUSE OF ACTION;

18           (II) AN ATTORNEY ENGAGED DIRECTLY OR INDIRECTLY THROUGH  
19 ANOTHER LEGAL REPRESENTATIVE TO REPRESENT A PARTY IN THE CIVIL  
20 ACTION; OR

21           (III) AN ENTITY OR INSURER WITH A PREEXISTING CONTRACTUAL  
22 OBLIGATION TO INDEMNIFY OR DEFEND A PARTY TO THE CIVIL ACTION.

23          (g) "LITIGATION FINANCING AGREEMENT" MEANS A TRANSACTION  
24 THAT PROVIDES LITIGATION FINANCING TO A PARTY OR A PARTY'S  
25 ATTORNEY IN RETURN FOR ASSIGNING THE THIRD-PARTY LITIGATION  
26 FUNDER A RIGHT TO RECEIVE AN AMOUNT THAT INCLUDES THE PAYMENT  
27 OF INTEREST, FEES, OR ANY OTHER CONSIDERATION CONTINGENT ON THE

1 OUTCOME OF THE CLAIM OR ACTION. "LITIGATION FINANCING  
2 AGREEMENT" DOES NOT INCLUDE:

3 (I) LEGAL SERVICES PROVIDED TO A PARTY BY AN ATTORNEY ON  
4 A CONTINGENCY FEE BASIS OR LEGAL COSTS ADVANCED BY AN ATTORNEY  
5 WHEN THE SERVICES OR COSTS ARE PROVIDED TO OR ON BEHALF OF A  
6 PARTY BY AN ATTORNEY IN THE DISPUTE AND IN ACCORDANCE WITH THE  
7 RULES OF PROFESSIONAL CONDUCT;

8 (II) BILLS, RECEIVABLES, OR LIENS HELD BY A HEALTH-CARE  
9 PROVIDER OR THEIR ASSIGNEE;

10 (III) LOANS MADE DIRECTLY TO A PARTY OR A PARTY'S ATTORNEY  
11 WHEN REPAYMENT OF THE LOAN IS NOT CONTINGENT UPON THE  
12 JUDGMENT, AWARD, SETTLEMENT, OR VERDICT IN A CLAIM OR ACTION; OR

13 (IV) FUNDING PROVIDED BY A NONPROFIT ORGANIZATION EXEMPT  
14 FROM FEDERAL INCOME TAXATION UNDER SECTION 501(c)(3) OF THE  
15 FEDERAL "INTERNAL REVENUE CODE OF 1986".

16 (h) "NATIONAL SECURITY INTEREST" MEANS INTERESTS RELATING  
17 TO THE NATIONAL DEFENSE, FOREIGN INTELLIGENCE AND  
18 COUNTERINTELLIGENCE, INTERNATIONAL AND DOMESTIC SECURITY, AND  
19 FOREIGN RELATIONS.

20 (i) "PARTY" MEANS A PERSON OR ENTITY IN A CIVIL ACTION.

21 (j) "PROPRIETARY INFORMATION" MEANS INFORMATION  
22 DEVELOPED, CREATED, OR DISCOVERED BY A PERSON, OR THAT BECAME  
23 KNOWN BY OR WAS CONVEYED TO THE PERSON, THAT HAS A COMMERCIAL  
24 VALUE IN THE PERSON'S BUSINESS AND INCLUDES DOMAIN NAMES, TRADE  
25 SECRETS, COPYRIGHTS, IDEAS, TECHNIQUES, INVENTIONS, AND OTHER  
26 INFORMATION RELATING TO DESIGNS, CONFIGURATIONS, DOCUMENTATION,  
27 RECORDED DATA, SCHEMATICS, CIRCUITS, MASK WORKS, LAYOUTS,

1 SOURCE CODE, OBJECT CODE, MASTER WORKS, MASTER DATABASES,  
2 ALGORITHMS, FLOW CHARTS, FORMULAS, WORKS OF AUTHORSHIP,  
3 MECHANISMS, RESEARCH, MANUFACTURE, IMPROVEMENTS, ASSEMBLY,  
4 INSTALLATION, INTELLECTUAL PROPERTY INCLUDING PATENTS AND  
5 PATENT APPLICATIONS, AND INFORMATION CONCERNING A PERSON'S  
6 ACTUAL OR ANTICIPATED BUSINESS, RESEARCH, OR DEVELOPMENT.

7 (k) "THIRD-PARTY LITIGATION FUNDER" MEANS A PERSON OR  
8 ENTITY THAT PROVIDES LITIGATION FINANCING TO A PARTY OR ATTORNEY  
9 IN A CIVIL ACTION AND HAS THE CONTRACTUAL RIGHT TO RECEIVE OR  
10 MAKE A PAYMENT THAT IS CONTINGENT ON THE OUTCOME OF AN  
11 IDENTIFIED CIVIL ACTION BY SETTLEMENT, JUDGMENT, OR OTHERWISE ON  
12 THE OUTCOME OF A MATTER WITHIN A PORTFOLIO THAT INCLUDES THE  
13 CIVIL ACTION . THIS TERM DOES NOT APPLY TO:

14 (I) THE NAMED PARTIES OR ATTORNEYS WHO PROVIDE FUNDING  
15 FOR LITIGATION EXPENSES RELATED TO THE CIVIL ACTION;

16 (II) A PERSON OR ENTITY PROVIDING FUNDING SOLELY INTENDED  
17 TO PAY COSTS OF LIVING OR OTHER PERSONAL OR FAMILIAL EXPENSES  
18 DURING THE PENDENCY OF THE CIVIL ACTION;

19 (III) THE NAMED PARTIES OR ATTORNEYS WHO PROVIDE FUNDING,  
20 INCLUDING ON A CONTINGENCY FEE BASIS OR TO ADVANCE THE NAMED  
21 PARTIES' LEGAL EXPENSES RELATED TO THE CIVIL ACTION;

22 (IV) A HEALTH INSURER, MEDICAL PROVIDER, OR ASSIGNEE THAT  
23 HAS PAID, IS OBLIGATED TO PAY, OR IS OWED MONEY FOR HEALTH-CARE  
24 SERVICES RENDERED TO AN INJURED PERSON WHO IS A PARTY TO THE CIVIL  
25 ACTION PURSUANT TO THE TERMS OF A HEALTH INSURANCE PLAN OR  
26 OTHER AGREEMENT;

27 (V) A FINANCIAL INSTITUTION PROVIDING LOANS MADE DIRECTLY

1 TO A PARTY OR ATTORNEY WHEN REPAYMENT OF THE LOAN IS NOT  
2 CONTINGENT UPON THE OUTCOME OF THE CIVIL ACTION OR ON THE  
3 OUTCOME OF A MATTER WITHIN A PORTFOLIO THAT INCLUDES THE CIVIL  
4 ACTION AND INVOLVES THE SAME ATTORNEY; OR

5 (VI) A NONPROFIT LEGAL ORGANIZATION EXEMPT FROM FEDERAL  
6 INCOME TAXATION UNDER SECTION 501(c)(3) OF THE FEDERAL "INTERNAL  
7 REVENUE CODE OF 1986", OR A PERSON PROVIDING FUNDING TO A  
8 NONPROFIT LEGAL ORGANIZATION THAT REPRESENTS CLIENTS ON A PRO  
9 BONO BASIS. THIS SUBSECTION (1)(k)(VI) DOES NOT AFFECT THE AWARD  
10 OF COSTS OR ATTORNEY FEES TO A NONPROFIT LEGAL ORGANIZATION OR  
11 RELATED ATTORNEY.

12 (2) A FOREIGN THIRD-PARTY LITIGATION FUNDER SHALL:

13 (a) DISCLOSE IN WRITING TO THE ATTORNEY GENERAL THE NAME,  
14 ADDRESS, AND CITIZENSHIP OR COUNTRY OF INCORPORATION OR  
15 REGISTRATION OF THE FOREIGN ENTITY THAT HAS A FINANCIAL STAKE IN  
16 THE OUTCOME OF THE CIVIL ACTION OR PORTFOLIO THAT INCLUDES THE  
17 CIVIL ACTION; AND

18 (b) SUBMIT TO THE ATTORNEY GENERAL A COPY OF THE  
19 LITIGATION FINANCING AGREEMENT CREATING THE CONTINGENT RIGHT TO  
20 RECEIVE PAYMENT DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION.

21 (3) THE DISCLOSURE AND CERTIFICATION REQUIRED BY  
22 SUBSECTION (2) OF THIS SECTION MUST BE MADE UPON FILING THE CIVIL  
23 ACTION OR, IF THE CIVIL ACTION IS FILED PRIOR TO THE EXECUTION OF A  
24 LITIGATION FINANCING AGREEMENT, WITHIN THIRTY-FIVE DAYS AFTER THE  
25 EXECUTION OF THE LITIGATION FINANCING AGREEMENT.

26 (4) THE DECLARANT SHALL MAKE THE DISCLOSURE AND  
27 CERTIFICATION REQUIRED BY SUBSECTION (2) OF THIS SECTION UNDER

1 PENALTY OF PERJURY BASED ON ACTUAL KNOWLEDGE OF THE DECLARANT  
2 FORMED AFTER REASONABLE INQUIRY. THE FOREIGN THIRD-PARTY  
3 LITIGATION FUNDER SHALL PROVIDE THE DISCLOSURE AND CERTIFICATION  
4 TO THE ATTORNEY GENERAL, AND THE ATTORNEY GENERAL SHALL  
5 MAINTAIN THE DISCLOSURE TO PRESERVE THE CONFIDENTIALITY OF THE  
6 PARTIES AND ATTORNEYS.

7 (5) IF, AFTER SUBMITTING THE DISCLOSURE AND CERTIFICATION  
8 REQUIRED BY SUBSECTION (2) OF THIS SECTION, THE FOREIGN  
9 THIRD-PARTY LITIGATION FUNDER LEARNS THAT THE INFORMATION  
10 DISCLOSED IS INCOMPLETE OR INACCURATE, THE FOREIGN THIRD-PARTY  
11 LITIGATION FUNDER MUST SUPPLEMENT OR CORRECT THE INCOMPLETE OR  
12 INACCURATE DISCLOSURE OR CERTIFICATION WITHIN THIRTY-FIVE DAYS  
13 AFTER LEARNING OF THE INCOMPLETE OR INACCURATE INFORMATION.

14 (6) A FOREIGN THIRD-PARTY LITIGATION FUNDER SHALL NOT:

15

16 (a) UTILIZE A DOMESTIC ENTITY AS A MEANS OF PROVIDING  
17 LITIGATION FINANCING TO A PARTY OR ATTORNEY IN A CIVIL ACTION;

18 (b) DECIDE, INFLUENCE, OR DIRECT AN ATTORNEY WITH RESPECT  
19 TO THE CONDUCT OF THE CIVIL ACTION OR ANY SETTLEMENT OR  
20 RESOLUTION OF THE CIVIL ACTION. THE RIGHT TO DECIDE, INFLUENCE, OR  
21 DIRECT MATTERS RELATED TO A CASE BELONGS SOLELY TO THE PARTIES  
22 AND ATTORNEYS.

23 (c) BE ASSIGNED RIGHTS TO PROFITS OTHER THAN THE RIGHT TO  
24 RECEIVE A SHARE OF THE PROCEEDS AWARDED IN THE CIVIL ACTION AS  
25 OUTLINED IN THE LITIGATION FINANCING AGREEMENT; OR

26 (d) SHARE PROPRIETARY INFORMATION, OR INFORMATION  
27 AFFECTING NATIONAL SECURITY INTERESTS OBTAINED AS A RESULT OF THE

1 LITIGATION FINANCING AGREEMENT FOR THE CIVIL ACTION, WITH ANYONE  
2 WHO IS NOT A PARTY OR AN ATTORNEY.

3 (7) THE EXISTENCE OF A LITIGATION FINANCING AGREEMENT IS  
4 SUBJECT TO DISCOVERY PURSUANT TO THE COLORADO RULES OF CIVIL  
5 PROCEDURE AND COLORADO RULES OF EVIDENCE IN THE CIVIL ACTION TO  
6 WHICH THE LITIGATION FINANCING AGREEMENT PERTAINS.

7 (8) A LITIGATION FINANCING AGREEMENT THAT DOES NOT COMPLY  
8 WITH THE REQUIREMENTS OF THIS SECTION IS VOID.

9 (9) A VIOLATION OF THIS SECTION CONSTITUTES A DECEPTIVE OR  
10 UNFAIR TRADE PRACTICE PURSUANT TO SECTION 6-1-105.

11 (10) THE ATTORNEY GENERAL MAY INSTITUTE A LEGAL ACTION IN  
12 A COURT OF COMPETENT JURISDICTION TO ENFORCE COMPLIANCE WITH  
13 THIS SECTION, IMPOSE FINES, PROHIBIT A FOREIGN THIRD-PARTY  
14 LITIGATION FUNDER FROM OPERATING WITHIN THIS STATE, OR IMPOSE ANY  
15 OTHER SANCTION THE ATTORNEY GENERAL DEEMS APPROPRIATE FOR A  
16 VIOLATION OF THIS SECTION.

17 (11)(a) BEGINNING JANUARY 2026, AND IN JANUARY EVERY YEAR  
18 THEREAFTER, THE DEPARTMENT OF LAW SHALL INCLUDE AS PART OF ITS  
19 PRESENTATION DURING ITS "SMART ACT" HEARING REQUIRED BY  
20 SECTION 2-7-203, INFORMATION CONCERNING THE ADMINISTRATION OF  
21 THIS SECTION AND MUST INCLUDE THE FOLLOWING:

22 (I) THE NAME, CITIZENSHIP, OR COUNTRY OF INCORPORATION OR  
23 REGISTRATION OF THE FOREIGN ENTITY AND WHETHER THE FOREIGN  
24 ENTITY PROVIDED FUNDS FOR A PURPOSE OTHER THAN TO DEFRAY  
25 LITIGATION EXPENSES OR THE FINANCIAL IMPACT OF A NEGATIVE  
26 JUDGEMENT; AND

27 (II) WHETHER A FOREIGN THIRD-PARTY LITIGATION FUNDER



1 VIOLATED THE PROVISIONS OF THIS SECTION, AND IF SO, WHAT THE  
2 VIOLATIONS WERE AND WHETHER THE ATTORNEY GENERAL TOOK  
3 ENFORCEMENT ACTION AGAINST THE FOREIGN THIRD-PARTY LITIGATION  
4 FUNDER.

5 (b) THE INFORMATION DESCRIBED IN SUBSECTION (11)(a) OF THIS  
6 SECTION MUST NOT IDENTIFY THE PARTIES INVOLVED IN A CIVIL ACTION OR  
7 THE ATTORNEY REPRESENTING THE PARTIES IN THE CIVIL ACTION.

8 (12) THIS SECTION DOES NOT APPLY TO A NONPROFIT  
9 ORGANIZATION FUNDED BY PRIVATE DONORS THAT REPRESENTS CLIENTS  
10 ON A PRO BONO BASIS.

11 **SECTION 2.** In Colorado Revised Statutes, 6-1-105, **add** (1)(iii)  
12 as follows:

13 **6-1-105. Unfair or deceptive trade practices - definitions.**

14 (1) A person engages in a deceptive trade practice when, in the course of  
15 the person's business, vocation, or occupation, the person:

16 (iii) VIOLATED SECTION 13-16-126.

17 **SECTION 3.** In Colorado Revised Statutes, 24-31-101, **amend**  
18 (1)(i)(XXII) and (1)(i)(XXIII); and **add** (1)(i)(XXIV) as follows:

19 **24-31-101. Powers and duties of attorney general.** (1) The  
20 attorney general:

21 (i) May independently initiate and bring civil and criminal actions  
22 to enforce state laws, including actions brought pursuant to:

23 (XXII) Part 14 of article 12 of title 38; ~~and~~

24 (XXIII) Section 24-34-806; AND

25 (XXIV) SECTION 13-16-126.

26 **SECTION 4. Act subject to petition - effective date.** This act  
27 takes effect at 12:01 a.m. on the day following the expiration of the

1     ninety-day period after final adjournment of the general assembly; except  
2     that, if a referendum petition is filed pursuant to section 1 (3) of article V  
3     of the state constitution against this act or an item, section, or part of this  
4     act within such period, then the act, item, section, or part will not take  
5     effect unless approved by the people at the general election to be held in  
6     November 2026 and, in such case, will take effect on the date of the  
7     official declaration of the vote thereon by the governor.