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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.—In any civil action, a party or
8 any counsel of record for a party shall—

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

16 “(2) produce to the court and each other named
17 party to the civil action, for inspection and copying,
18 except as otherwise stipulated or ordered by the
19 court, any agreement creating a contingent right re-
20 ferred to in paragraph (1).

21 “(b) DEFINITION.—For purposes of this section, the
22 term ‘commercial enterprise’—

23 “(1) means any entity formed for the ongoing
24 conduct of lawful business; and

1 “(2) does not include any entity that has a
2 right to receive payment described in subsection
3 (a)(1)(B) if the right to receive payment is solely—

4 “(A) the repayment of the principal of a
5 loan;

6 “(B) the repayment of the principal of a
7 loan plus interest that does not exceed the high-
8 er of 7 percent or a rate two times the annual
9 average 30-year constant maturity Treasury
10 yield, as published by the Board of Governors
11 of the Federal Reserve System, for the year
12 preceding the date on which the relevant agree-
13 ment was executed; or

14 “(C) the reimbursement of attorney’s fees.

15 “(c) TIMING.—The disclosures required by subsection
16 (a) shall be made not later than the later of—

17 “(1) 10 days after the execution of any agree-
18 ment described in subsection (a)(2); or

19 “(2) the time of the filing of the action before
20 the court.”.

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

“1660. Third-party beneficiary disclosure.”.

1 SEC. 3. APPLICABILITY.

2 The amendments made by this Act shall apply to any
3 civil action pending on or commenced after the date of
4 enactment of this Act.