

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2022 REGULAR SESSION
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Amend printed copy of **HB 489**

On page 1, delete lines 9 to 24 in their entirety and insert the following in lieu thereof:

"(2) "Nonrecourse consumer legal funding company" means a person that is licensed under this subtitle to enter into nonrecourse consumer legal funding transactions with consumers;"; and

On page 2, after line 4, insert the following and renumber subsequent sections accordingly:

"→SECTION 2. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 286 IS CREATED TO READ AS FOLLOWS:

This subtitle shall not apply to:

(1) An immediate family member of a consumer;

(2) An attorney or accountant who provides services or an advance to a consumer;

(3) A medical provider that provides medical services on the basis of a lien against any potential litigation recovery;

(4) A medical factoring company; or

(5) A financial institution or similar entity:

(a) That provides financing to a nonrecourse consumer legal funding company; or

(b) To which a nonrecourse consumer legal funding company grants a security interest or transfers any right or interest in a nonrecourse consumer legal funding transaction."

Amendment No. HFA

Rep. Rep. John Blanton

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

Doc. ID: XXXX

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On page 4, line 1, delete "10" and insert in lieu thereof "11"; and

On page 8, line 5, delete "or"; and

On page 8, after line 5, insert the following:

"(10) Impose charges and fees in excess of:

(a) A fee calculated at an annual rate of thirty-six percent (36%) of the funded amount;

(b) A servicing charge calculated at an annual rate of seven percent (7%) of the funded amount; and

(c) A one-time charge for obtaining and preparing documents of:

1. Two hundred fifty dollars (\$250) if the funded amount is less than five thousand dollars (\$5,000); or

2. Five hundred dollars (\$500) if the funded amount is five thousand dollars (\$5,000) or more; or"; and

On page 8, line 6, delete "(10)" and insert in lieu thereof "(11)"; and

On page 8, after line 19, insert the following:

"(3) A nonrecourse consumer legal funding transaction made in compliance with this subtitle does not involved champerty and is not subject to Section 12 of this Act."; and

On page 8, lines 22 and 23, delete "2, 3, 4, 5, or 6" and insert in lieu thereof "3, 4, 5, 6, or 7"; and

On page 8, line 26, delete "2" and insert in lieu thereof "3"; and

On page 9, line 1, delete "2" and insert in lieu thereof "3"; and

On page 9, line 3, delete "2" and insert in lieu thereof "3"; and

On page 9, line 4, delete "2, 3, 4, 5, or 6" and insert in lieu thereof "3, 4, 5, 6, or 7"; and

On page 9, line 12, delete "2" and insert in lieu thereof "3"; and

On page 9, lines 14 and 15, delete "2, 3, 4, 5, or 6" and insert in lieu thereof "3, 4, 5, 6, or 7"; and

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Z"; and

On page 11, line 16, delete "3" and insert in lieu thereof "4"; and

On page 13, line 3, delete "8" and insert in lieu thereof "9".