

SENATE BILL NO. 977

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

4463S.01I

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 507, RSMo, by adding thereto one new section relating to foreign funding of legal actions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 507, RSMo, is amended by adding thereto
2 one new section, to be known as section 507.005, to read as
3 follows:

507.005. 1. For those actions filed on or after
2 August 28, 2024, no party, including an intervening party,
3 shall receive funding from a foreign individual or foreign
4 legal entity that is not a party to the action for some or
5 all of the expenses, including any attorney's fees, for the
6 action, whether or not on a nonrecourse basis in exchange
7 for a contingent financial interest based upon the results
8 of the action or a nonmonetary result that is not in the
9 nature of a personal loan, bank loan, or insurance.

10 2. The provisions of this section shall not apply if:

11 (1) The party is an individual receiving funding for
12 the action from a foreign individual within the third degree
13 of affinity or consanguinity of the party;

14 (2) The party is a legal entity that is owned or
15 controlled, in whole or in part, by a foreign legal entity
16 which is providing funding for the action to the party;

17 (3) All parties agree to allow funding by foreign
18 individuals or foreign legal entities; or

19 (4) The court determines that in the interest of
20 justice or in the interest of the parties there is good
21 cause for the funding of the action by a foreign individual
22 or foreign legal entity.

23 3. A party may seek discovery on information regarding
24 the funding of the action upon a showing of good cause.

25 4. Upon a showing that another party to the action has
26 received funding for expenses for the action in violation of
27 this section, the party may file a motion to dismiss. The
28 court shall conduct a hearing within thirty days of the
29 filing of a motion to determine whether the provisions of
30 this section have been violated. Upon a determination that
31 the provisions of this section have been violated, the court
32 shall dismiss the action without prejudice and may order any
33 other relief as may be appropriate.

34 5. As used in this section, the following terms mean:

35 (1) "Foreign individual", any individual, including an
36 agent of an individual, who is not a citizen or national of
37 the United States, or any trust territory or protectorate of
38 the United States;

39 (2) "Foreign legal entity", any legal entity created
40 under the laws of:

41 (a) Any government other than the government of the
42 United States or any state or political subdivision of the
43 United States; or

44 (b) The United States, or any state or territory of
45 the United States, if a majority of the ownership of the
46 stock of such legal entity is directly or indirectly owned,
47 legally or beneficially, by one or more governments other
48 than the government of the United States or any state or
49 territory of the United States, foreign individuals, or
50 legal entities created under the laws of any government

51 other than the government of the United States or any state
52 or territory of the United States, or if a majority of the
53 membership of any such entity is composed of foreign
54 individuals or legal entities created under the laws of a
55 government other than the government of the United States or
56 any state or territory of the United States.

57 The term "foreign legal entity" shall include any agent of
58 any legal entity described in this subdivision.

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