



Senate

General Assembly

File No. 745

January Session, 2025

Substitute Senate Bill No. 1544

Senate, April 23, 2025

The Committee on Judiciary reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A STUDY ON PRESETTLEMENT LEGAL FUNDING AND LOANS MADE IN CONNECTION WITH THE ANTICIPATED RECEIPT OF A WRONGFUL INCARCERATION AWARD.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (*Effective from passage*) (a) The Banking Commissioner, or
2 the commissioner's designee, shall study and report: (1) On consumer
3 complaints made against entities subject to the provisions of title 36a of
4 the general statutes, for the five-year period commencing on July 1,
5 2020, and ending on June 30, 2025, relating to (A) any alleged
6 impropriety in the provision of presettlement legal funding to a person
7 seeking compensation for wrongful incarceration under section 54-
8 102uu of the general statutes; (B) any unlicensed entity providing a
9 small loan to a person with respect to the anticipated proceeds from a
10 wrongful incarceration award under section 54-102uu of the general
11 statutes; (C) any consent decree entered into between the department
12 and an entity subject to the provisions of title 36a of the general statutes
13 relating to an alleged impropriety in the provision of presettlement legal

14 funding to a person seeking compensation for wrongful incarceration
 15 under section 54-102uu of the general statutes; and (D) any other
 16 enforcement actions taken by the department with respect to a
 17 consumer complaint against an entity subject to the provisions of title
 18 36a of the general statutes relating to presettlement legal funding or a
 19 loan made in connection with the anticipated proceeds from a wrongful
 20 incarceration award under section 54-102uu of the general statutes; and
 21 (2) in consultation with the Commissioner of Consumer Protection and
 22 the Attorney General, on recommended legislative changes needed to
 23 (A) provide enhanced consumer protections to a person seeking
 24 compensation for wrongful incarceration under section 54-102uu of the
 25 general statutes, who, prior to receiving any compensation, enters into
 26 an agreement with an entity for the receipt of certain sums of money,
 27 which sums of money are to be repaid to the entity upon the receipt of
 28 the wrongful incarceration award; and (B) establish a process for the
 29 appointment of a trustee for a person described in subparagraph (A) of
 30 this subdivision relative to the receipt and disbursement of a wrongful
 31 incarceration award while such person's claim is pending with the
 32 Office of the Claims Commissioner.

33 (b) The Banking Commissioner, or the commissioner's designee, shall
 34 submit the report, in accordance with the provisions of section 11-4a of
 35 the general statutes, to the joint standing committees of the General
 36 Assembly having cognizance of matters relating to the judiciary,
 37 banking and consumer protection on or before January 8, 2026.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

JUD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill, which requires the Department of Banking to conduct a study on presettlement legal funding and loans made in connection with the anticipated receipt of a wrongful incarceration award, does not result in a fiscal impact because the department has the expertise to meet the bill's requirements.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis

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SUMMARY

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 41 Nay 0 (04/04/2025)