



General Assembly

***Substitute Bill No. 1544***

*January Session, 2025*



\* S B 0 1 5 4 4 J U D 0 4 0 7 2 5 \*

***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.

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|---|---------------------|-------------|
| 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.*