



State of Tennessee

PUBLIC CHAPTER NO. 212

SENATE BILL NO. 305

By Watson

Substituted for: House Bill No. 366

By Lynn

AN ACT to amend Tennessee Code Annotated, Section 47-16-105 and Section 47-16-109, relative to consumer protection.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-16-105, is amended by deleting subdivisions (7) and (9) and substituting instead:

(7) Attempt to effect mandatory arbitration or otherwise effect waiver of a consumer's right to a trial by jury;

(9) Assign, which includes securitizing, a litigation financing contract, in whole or in part, to a third party; however:

(A) This subdivision (9) does not prevent a litigation financier that retains responsibility for collecting payment, administering, or otherwise enforcing the litigation financing contract from making an assignment that is:

(i) To a wholly owned subsidiary of the litigation financier;

(ii) To an affiliate of the litigation financier that is under common control with the litigation financier; or

(iii) A grant of a security interest that is pursuant to title 47, chapter 9 or is otherwise permitted by law; and

(B) If an assignment is authorized and made pursuant to this subdivision (9), for purposes of this section, "litigation financier" includes a successor-in-interest to a litigation financing contract.

SECTION 2. Tennessee Code Annotated, Section 47-16-109, is amended by deleting subsection (b) and substituting instead the following:

(b) The lien of a litigation financier on a consumer's legal claim has priority over liens that attach and take effect subsequent to the attachment of the litigation financier's lien to the consumer's legal claim, except for the following:

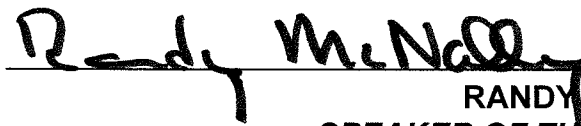
(1) Attorney liens, insurance carrier liens, medical provider liens, or liens based upon subrogation interests or rights of reimbursement related to the consumer's legal claim; and

(2) Child support, Medicare, tax, or any other statutory or governmental lien.

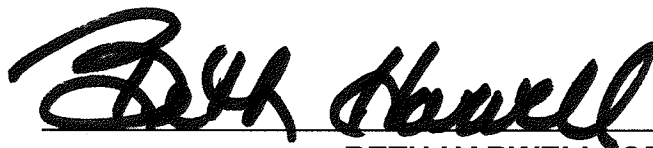
SECTION 3. This act shall take effect July 1, 2017, the public welfare requiring it.

SENATE BILL NO. 305

PASSED: April 17, 2017

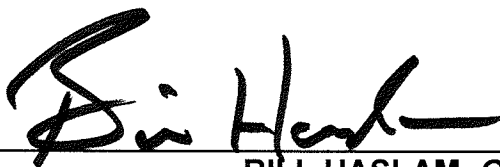


RANDY McNALLY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 28th day of April 2017



BILL HASLAM, GOVERNOR