

1 HB23-1162 be amended as follows:

2 Amend printed bill, page 8, after line 6 insert:

3 **"5-9.6-103.5. Records - annual reports - proof of financial**  
4 **responsibility.** (1) (a) EVERY CONSUMER LEGAL FUNDING COMPANY  
5 REGISTERED IN THIS STATE SHALL MAINTAIN RECORDS IN CONFORMITY  
6 WITH THIS ACT, RULES ADOPTED UNDER THIS ACT, AND GENERALLY  
7 ACCEPTED ACCOUNTING PRINCIPLES AND PRACTICES AND IN A MANNER  
8 THAT WILL ENABLE THE ATTORNEY GENERAL TO DETERMINE WHETHER THE  
9 COMPANY IS IN COMPLIANCE WITH THIS ACT.

10 (b) THE RECORD-KEEPING SYSTEM OF A COMPANY IS SUFFICIENT IF  
11 THE COMPANY MAKES THE REQUIRED INFORMATION REASONABLY  
12 AVAILABLE TO THE ATTORNEY GENERAL. THE RECORDS DO NOT NEED TO  
13 BE KEPT IN THE PLACE OF BUSINESS WHERE CONSUMER LEGAL FUNDING  
14 TRANSACTIONS ARE CONDUCTED SO LONG AS THE ATTORNEY GENERAL IS  
15 GIVEN FREE ACCESS TO RECORDS WHEREVER THEY ARE LOCATED.

16 (c) THE RECORDS PERTAINING TO ANY CONSUMER LEGAL FUNDING  
17 CONTRACT MUST BE MAINTAINED FOR FOUR YEARS AFTER THE  
18 RESOLUTION DATE.

19 (2) (a) ON OR BEFORE JUNE 1 OF EACH YEAR, EVERY CONSUMER  
20 LEGAL FUNDING COMPANY SHALL FILE WITH THE ATTORNEY GENERAL AN  
21 ANNUAL REPORT IN THE FORM PRESCRIBED BY THE ATTORNEY GENERAL  
22 RELATING TO ALL CONSUMER LEGAL FUNDING TRANSACTIONS CONDUCTED  
23 BY THE COMPANY.

24 (b) THE REPORT MUST DEMONSTRATE SATISFACTORY PROOF OF  
25 THE COMPANY'S FINANCIAL RESPONSIBILITY. THE ATTORNEY GENERAL  
26 MAY DETERMINE, BY RULE, THE TYPE AND AMOUNT OF FINANCIAL  
27 RESPONSIBILITY DEEMED TO BE SATISFACTORY.

28 (c) THE ATTORNEY GENERAL SHALL CONSULT WITH OFFICIALS IN  
29 OTHER STATES IN ORDER TO MAKE THE INFORMATION REQUIRED IN THE  
30 ANNUAL REPORTS UNIFORM AMONG THE STATES.

31 (3) (a) IF A CONSUMER LEGAL FUNDING COMPANY FAILS TO FILE  
32 THE ANNUAL REPORT OR PROOF OF FINANCIAL RESPONSIBILITY BY JULY 1  
33 OF EACH YEAR, THE ATTORNEY GENERAL MAY IMPOSE A PENALTY OF FIVE  
34 DOLLARS PER DAY FROM JULY 2 TO THE DATE THE FILING IS POSTMARKED  
35 OR E-MAILED.

36 (b) IF A CONSUMER LEGAL FUNDING COMPANY BOTH FAILS TO FILE  
37 THE ANNUAL REPORT AND TO PAY THE APPROPRIATE PENALTY BY JULY 15,  
38 OR AT ANY OTHER TIME FAILS TO PROVIDE SATISFACTORY PROOF OF  
39 FINANCIAL RESPONSIBILITY WITHIN THIRTY DAYS AFTER RECEIVING NOTICE  
40 FROM THE ATTORNEY GENERAL, THE COMPANY'S REGISTRATION WILL  
41 AUTOMATICALLY EXPIRE."

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