



2026 South Dakota Legislature

House Bill 1142

Introduced by: **Representative Roby**

1 **An Act to provide for the disclosure of any third party that has a right to receive a**
 2 **payment contingent upon the outcome of a civil action.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That a NEW SECTION be added to chapter 15-6:**

5 Except as provided in section 2 of this Act, in any civil action, a party or the party's
 6 counsel of record shall:

7 (1) Disclose in writing to the court and all other named parties to the civil action the
 8 identity of any person, other than the counsel of record, that has the right to
 9 receive any payment or thing of value that is contingent upon the outcome of the
 10 civil action, or a group of actions of which the civil action is a part; and

11 (2) Produce to the court and all other named parties to the civil action, for inspection
 12 and copying, any agreement creating a contingent right as described in subdivision
 13 (1), including any ancillary agreement or document, except as otherwise stipulated
 14 or ordered by the court.

15 Disclosure and production under this section must be made within ten days of the
 16 execution of any agreement described in subdivision (2), or at the time of the filing of the
 17 action before the court, whichever is later.

18 For purposes of this section, "person" includes associations, cooperative
 19 corporations, corporations, domestic government entities, foreign government entities,
 20 limited liability companies, natural persons, and partnerships.

21 **Section 2. That a NEW SECTION be added to chapter 15-6:**

22 Section 1 of this Act does not apply to any right to receive a payment if the payment
 23 is solely:

24 (1) The repayment of principal of a loan;

- 1 (2) The repayment of principal of a loan plus interest that does not exceed the higher
2 of:
3 (a) Seven percent; or
4 (b) A rate two times the annual average thirty-year constant maturity Treasury
5 yield, as published by the Board of Governors of the Federal Reserve
6 system, for the twelve-month period preceding the date on which the
7 relevant agreement was executed; or
8 (3) The reimbursement of attorney fees, including the payment of a contingent fee to
9 an attorney for legal services pursuant to an attorney-client agreement.

10 **Section 3. That a NEW SECTION be added to chapter 15-6:**

11 The party filing the disclosure or production pursuant to section 1 of this Act, or
12 the party's counsel of record, must correct or supplement any disclosure or production
13 required by section 1 of this Act in a timely manner, upon learning that the disclosure or
14 production is or has become incomplete or incorrect in some material respect, if the
15 corrective or additional information has not otherwise been made to the other parties
16 during the discovery process or in writing, or as ordered by the court.

17 **Section 4. That a NEW SECTION be added to chapter 15-6:**

18 Nothing in sections 1 to 3, inclusive, of this Act prohibits a party in a civil action
19 from seeking information referred to in sections 1 and 2 of this Act through the discovery
20 process.