



HOUSE BILL 315: Prohibit Litigation Invest/Amend WC Benefits.

2025-2026 General Assembly

Committee:	Senate Judiciary	Date:	June 3, 2026
Introduced by:	Reps. Pyrtle, Miller, Carson Smith, Reives	Prepared by:	Amy Darden
Analysis of:	PCS to Third Edition H315-CSBB-35		Committee Counsel

OVERVIEW: *The PCS to House Bill 315 would:*

- *Make it unlawful for any person to engage in litigation investment or furnish litigation investment to a party or counsel of record in a civil proceeding in this State.*
- *Increase benefits payable under the Workers' Compensation Act as follows:*
 - *The minimum weekly rate of compensation payable for total disability would be increased from \$30.00 to \$50.00.*
 - *The current maximum compensation of \$20,000 payable for serious facial or head disfigurement and for loss of, or permanent injury to, important organs or parts of the body, would be increased to \$40,000.*
 - *The current maximum compensation of \$10,000 payable for serious bodily disfigurement not compensable under any other provision would be increased to \$20,000.*

CURRENT LAW AND BILL ANALYSIS:

Part I. Prohibit Litigation Investments

Section 1 of the PCS would enact new Article 52 (Prohibit Litigation Investments Act) in Chapter 66 (Commerce and Business) of the General Statutes to make it unlawful for a person to engage in litigation investment in this State or to furnish litigation investment to a party or counsel of record in a civil proceeding in this State.

In addition to any other remedies provided by law for a violation, the Attorney General would be authorized to bring an action to enjoin violations of this Article, in which the court could impose a civil penalty of up to \$50,000 for each violation, and any person injured by a violation could bring an action seeking damages. The injured person could elect at judgment between an award of compensatory damages as measured by the trier of fact or an award of treble the amount of the full potential litigation investment contemplated by the investor as statutory damages. As part of any judgment the injured person would also be entitled to an award of court costs and reasonable attorneys' fees.

As used in Article 52, the term "litigation investment" would mean the provision of money for the fees, costs, and expenses related to a pending or potential civil proceeding in exchange for the right to receive repayment or other consideration that is contingent in any respect on the outcome of the proceeding.

The following activities would not be a prohibited "litigation investment" under Article 52:

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- The provision of legal services on a contingency fee basis or the advance of costs and expenses by an attorney or law firm in accordance with the North Carolina Rules of Professional Conduct.
- An insurer's or other entity's contractual obligation to indemnify or defend a party to a civil proceeding.
- A nonprofit organization's provision of money for the fees, costs, or expenses of a civil proceeding commenced by the organization on behalf of itself or its members, or the provision of money to or by a nonprofit legal services organization for pro bono, cost-free representation of a client in a civil proceeding, so long as any repayment amount is limited to the original amount plus reasonable interest.
- A direct loan to a party, law firm, or attorney so long as repayment of the loan is not contingent on the outcome of any civil proceeding.
- The provision of financial support to a party for personal and household expenses during the pendency of a civil proceeding so long as it is not used for the fees, costs, or expenses of the proceeding.
- An immediate family member's provision of financial support to a party for fees, costs, or expenses of a civil proceeding or for personal and household expenses during the pendency of the proceeding, regardless of whether the immediate family member receives a right to any portion of the recovery in the civil proceeding or any other right to repayment that is contingent on the outcome of the proceeding.

Part II. Update Certain Workers' Compensation Benefits

Under current law an employee is entitled to receive weekly compensation equal to two-thirds of the employee's average weekly wage, but not less than \$30.00 per week.

Section 2.(a) of the PCS would increase the minimum weekly benefit payable for total disability from \$30.00 to \$50.00.

Under current law, an employee is entitled to receive compensation in an amount not to exceed the following:

- \$20,000 for serious facial or head disfigurement.
- \$10,000 for serious bodily disfigurement for which compensation is not payable under other provisions.
- \$20,000 for loss of, or permanent injury to, an important organ or part of the body.

Section 2.(b) would raise the maximum compensation to:

- \$40,000 for serious facial or head disfigurement.
- \$20,000 for serious bodily disfigurement for which compensation is not payable under other provisions.
- \$40,000 for loss of, or permanent injury to, an important organ or part of the body.

EFFECTIVE DATE: Section 2 would become effective July 1, 2027, and would apply to claims arising on or after that date. Except as otherwise provided, this act would be effective when it becomes law, and Section 1 of this act would apply to civil proceedings commenced on or after that date, and would apply to contracts entered into, renewed, or amended on or after that date.

**Bill Patterson, Legislative Analysis, substantially contributed to this summary.*