

Amend CSHB 2120, by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION __. Section 172.015, Local Government Code, is amended to read as follows:

Sec. 172.015. SUBROGATION; ADEQUATE RECOVERY. (a) The payor of employee benefits, whether a political subdivision, group of political subdivisions, pool, or carrier providing reinsurance to one of those entitites, is [~~shall be~~] subrogated to the employees' right of recovery for personal injuries caused by the tortuous conduct of a third party.

(b) A payor of employee benefits whose interest is not actively represented by an attorney in a third-party action shall pay a fee to an attorney representing the claimant employee in an amount determined under an agreement entered into between the attorney and the payor of employee benefits. In the absence of an agreement, the court shall award to the attorney, payable out of the recovery of the payor of employee benefits:

(1) a reasonable fee for recovery of the interest of the payor of employee benefits, not to exceed one-third of the payor's recovery; and

(2) a proportionate share of expenses.

(c) If the injured employee is not able to realize a complete and adequate recovery for injuries sustained as a result of the actionable fault of a third party, the payor of employee benefits is entitled to a pro rata recovery consistent with the recovery obtained by the injured employee.

SECTION __. Section 172.015, Local Government Code, as amended by this Act, applies only to a cause of action that accrues on or after the effective date of this Act. An action that accrued before the effective date of this Act is governed by the law applicable to the action immediately before the effective date of this Act, and that law is continued in effect for that purpose.