

By: Williams

S.B. No. 260

A BILL TO BE ENTITLED

AN ACT

relating to the division of legal fees between attorneys in different law firms.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Chapter 84, Government Code, is amended to read as follows:

CHAPTER 84. ~~UNAUTHORIZED~~ ATTORNEY COMPENSATION

SECTION 2. Sections 84.001-84.004, Government Code, are designated as Subchapter A, Chapter 84, Government Code, and a subchapter heading is added to read as follows:

SUBCHAPTER A. UNAUTHORIZED ATTORNEY COMPENSATION IN CRIMINAL MATTERS

SECTION 3. Chapter 84, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. DIVISION OF FEES

Sec. 84.051. DIVISION OF FEES BETWEEN ATTORNEYS NOT OF SAME FIRM. An attorney may not divide a fee for legal services with another attorney who is not a partner in or associate of the attorney's law firm, unless:

(1) the client consents to employment of the other attorney in writing after a full disclosure that the fees will be divided;

(2) the division is in proportion to the services performed by each attorney or, after providing written notice to

1 the client, each attorney assumes joint responsibility for the
2 representation; and

3 (3) the total fee of the attorneys does not exceed
4 reasonable compensation for all legal services the attorneys
5 provided to the client.

6 SECTION 4. Section 84.051, Government Code, as added by
7 this Act, applies only to a contract for attorney's fees that is
8 executed on or after the effective date of this Act. A contract for
9 fees that is executed before the effective date of this Act is
10 governed by the law applicable to the contract immediately before
11 the effective date of this Act, and that law is continued in effect
12 for that purpose.

13 SECTION 5. This Act takes effect September 1, 2005.