

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 2, 2005

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2551 by Smithee (Relating to the subrogation interests of certain political subdivisions or carriers providing reinsurance for subdivisions.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Section 172.015 of the Local Government Code to require the payor of employee benefits whose interest is not actively represented by an attorney in a third-party action to 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. If there is no agreement in place, the court shall award to the attorney a reasonable fee and a proportionate share of expenses, payable out of the recovery of the payor of employee benefits.

The bill would take effect September 1, 2005 and would apply only to a cause of action that accrues on or after the effective date. An action that accrued before the effective date of this bill would be governed by the law applicable to the action immediately before the effective date.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JOB, DLBa, JRO