

BILL ANALYSIS

C.S.H.B. 2544
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, if an injured employee hires an attorney to obtain workers' compensation benefits and then later decides to seek other counsel, the employee is unlikely to be able to obtain legal representation from another attorney because the fees for the employee's original attorney have already been submitted and must be paid if and when the employee recovers benefits. This could result in an injured worker in Texas being without any legal representation because no attorney will want to represent the worker if there is a pending unpaid attorney bill. This problem is often worse in rural areas where there are very few attorneys who specialize in workers' compensation.

C.S.H.B. 2544 requires payment for each attorney to be made in equal shares to each attorney with an outstanding lien and prohibits the aggregated attorney's fees of more than one attorney for representing a claimant before the division of workers' compensation or a court from exceeding 25 percent of the claimant's recovery.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2544 amends the Labor Code to require payment of an attorney's fee that is a lien or claim on an income or death benefit for representing an employee or legal beneficiary in a matter arising under the Texas Workers' Compensation Act to be made in equal shares to each attorney with an outstanding lien if more than one attorney has an outstanding lien. The bill prohibits the aggregated attorney's fees of more than one attorney for representing a claimant before the division of workers' compensation or a court from exceeding 25 percent of the claimant's recovery.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2544 differs from the original in nonsubstantive ways by using language reflective of certain drafting conventions.