

By: Fletcher

H.B. No. 620

A BILL TO BE ENTITLED

AN ACT

relating to liability for contracts for legal services procured as the result of certain prohibited acts.

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

SECTION 1. Subchapter C, Chapter 82, Government Code, is amended by adding Section 82.0651 to read as follows:

Sec. 82.0651. LIABILITY FOR CONTRACTS FOR LEGAL SERVICES PROCURED AS RESULT OF CERTAIN PROHIBITED CONDUCT. (a) A client who paid a fee to an attorney or other person under a contract for legal services that was procured as a result of conduct described by Section 38.12, 38.122, or 38.123, Penal Code, or Rule 8.04, Texas Disciplinary Rules of Professional Conduct, may bring an action against one or more persons who ordered, encouraged, or participated in the procurement. If the client proves those facts by a preponderance of the evidence, the client may recover:

(1) the amounts paid to or received by the persons who ordered, encouraged, or participated in the procurement in connection with the contract;

(2) reasonable and necessary attorney's fees and court costs incurred by the client in the action; and

(3) prejudgment and postjudgment interest as provided by law.

(b) Each person who ordered, encouraged, or participated in the procurement of a contract as described by Subsection (a) is

1 jointly and severally liable for amounts recoverable under that
2 subsection.

3 (c) In addition to amounts recoverable under Subsection
4 (a), a client who prevails in an action as described by that
5 subsection may recover from a person who knowingly ordered,
6 encouraged, or participated in the procurement of the contract an
7 amount equal to two times the amount paid to or received by the
8 person in connection with the contract.

9 SECTION 2. The change in law made by this Act applies only
10 to a contract entered into on or after the effective date of this
11 Act.

12 SECTION 3. This Act takes effect September 1, 2011.