

By: Raymond

H.B. No. 247

A BILL TO BE ENTITLED

AN ACT

relating to limits on certain actions arising out of attorney's fee agreements.

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

SECTION 1. Title 6, Civil Practice and Remedies Code, is amended by adding Chapter 150A to read as follows:

CHAPTER 150A. LIMITATION OF ACTION ON CERTAIN ATTORNEY'S FEE AGREEMENTS

Sec. 150A.001. LIMITATION OF ACTION ON CERTAIN ATTORNEY'S FEE AGREEMENTS. (a) A party to an attorney's fee agreement to which this section applies, or a successor, heir, agent, attorney, or assignee of the party, may not bring an action on a claim arising out of the agreement or the representation that is the subject of the agreement except as provided by this section.

(b) This section applies to an attorney's fee agreement in which the fee is contingent on the outcome of the matter for which the service is rendered and which states in writing:

(1) the method by which the fee is to be determined;
(2) the litigation and other expenses to be deducted from the recovery; and

(3) whether litigation expenses and other expenses are to be deducted before or after the contingent fee is calculated.

(c) With respect to a case in which an attorney represents two or more clients and makes an aggregate settlement of the

1 clients' claims, this section applies to an attorney's fee
2 agreement described by Subsection (b) that additionally includes
3 disclosure of:

4 (1) the existence and nature of all claims or pleas
5 involved;

6 (2) the nature and extent of the participation of each
7 client in the settlement; and

8 (3) the amount of remittance to each client and the
9 method by which the remittance is to be determined.

10 (d) A party may bring an action on a claim arising out of an
11 agreement to which this section applies or the representation that
12 is the subject of the agreement only on the ground that the
13 agreement was obtained by corruption, coercion, force, fraud, or
14 other undue means, or that the agreement was forged as provided by
15 Section 32.21, Penal Code.

16 (e) In an action on a claim arising out of an agreement
17 described by Subsection (c), or the settlement that is the subject
18 of the agreement, brought on grounds other than those provided by
19 Subsection (d), the settlement is irrebuttably presumed to be:

20 (1) fully disclosed, read, understood, and
21 voluntarily entered into by all parties to the agreement;

22 (2) fair, accepted, reasonable, and made in the best
23 interests of the parties by the parties or through their attorneys;
24 and

25 (3) final and not subject to subsequent litigation.

26 (f) On motion of a party, a court shall dismiss with
27 prejudice an action on a claim arising out of an agreement to which

1 this section applies or the representation that is the subject of
2 the agreement if the action is brought on grounds other than those
3 provided by Subsection (d).

4 SECTION 2. The change in law made by this Act applies only
5 to an action on a claim arising out of an attorney's fee agreement
6 or the representation that is the subject of an agreement entered
7 into on or after the effective date of this Act. An action on a
8 claim arising out of an attorney's fee agreement or the
9 representation that is the subject of an agreement entered into
10 before the effective date of this Act is governed by the law in
11 effect immediately before that date, and the former law is
12 continued in effect for that purpose.

13 SECTION 3. This Act takes effect September 1, 2015.