

## **BILL ANALYSIS**

C.S.H.B. 2574  
By: Murr  
Judiciary & Civil Jurisprudence  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties assert that rules adopted by the Texas Supreme Court to promote the prompt, efficient, and cost-effective resolution of certain civil cases involving low monetary damages should apply to more cases. C.S.H.B. 2574 seeks to achieve this goal by excluding attorney's fees from the calculation of the amount in controversy for purposes of determining whether a civil action is subject to those rules.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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. 2574 amends the Government Code to remove and expressly exclude attorney's fees from the determination of whether the amount in controversy in a civil action in a district court, a county court at law, or a statutory probate court qualifies that action for the application of rules adopted by the Texas Supreme Court to promote the prompt, efficient, and cost-effective resolution of civil actions. The bill requires such rules to provide that attorney's fees awarded in an action to which the rules apply may not exceed \$50,000. The bill requires the supreme court, not later than January 1, 2018, to adopt rules necessary to implement the bill's provisions.

### **EFFECTIVE DATE**

September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2574 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 22.004(h), Government Code, is amended to read as follows:	SECTION 1. Section 22.004(h), Government Code, is amended to read as follows:

85R 27199

17.118.1414

Substitute Document Number: 85R 25011

(h) The supreme court shall adopt rules to promote the prompt, efficient, and cost-effective resolution of civil actions. The rules shall apply to civil actions in district courts, county courts at law, and statutory probate courts in which the amount in controversy, inclusive of all claims for damages of any kind, whether actual or exemplary, a penalty, ~~[attorney's fees,]~~ expenses, costs, interest, or any other type of damage of any kind, does not exceed \$200,000 ~~[\$100,000]~~. Attorney's fees are not included in determining the amount in controversy under this subsection.

The rules shall address the need for lowering discovery costs in these actions and the procedure for ensuring that these actions will be expedited in the civil justice system. The supreme court may not adopt rules under this subsection that conflict with a provision of:

- (1) Chapter 74, Civil Practice and Remedies Code;
- (2) the Family Code;
- (3) the Property Code; or
- (4) the Tax Code.

SECTION 2. Not later than January 1, 2018, the Texas Supreme Court shall adopt rules necessary to implement Section 22.004(h), Government Code, as amended by this Act.

SECTION 3. This Act takes effect September 1, 2017.

(h) The supreme court shall adopt rules to promote the prompt, efficient, and cost-effective resolution of civil actions. The rules shall apply to civil actions in district courts, county courts at law, and statutory probate courts in which the amount in controversy, inclusive of all claims for damages of any kind, whether actual or exemplary, a penalty, ~~[attorney's fees,]~~ expenses, costs, interest, or any other type of damage of any kind, does not exceed \$100,000. Attorney's fees are not included in determining the amount in controversy under this subsection. Notwithstanding any other law, the rules shall provide that attorney's fees awarded in an action under this subsection may not exceed \$50,000.

The rules shall address the need for lowering discovery costs in these actions and the procedure for ensuring that these actions will be expedited in the civil justice system. The supreme court may not adopt rules under this subsection that conflict with a provision of:

- (1) Chapter 74, Civil Practice and Remedies Code;
- (2) the Family Code;
- (3) the Property Code; or
- (4) the Tax Code.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.