

## **BILL ANALYSIS**

H.B. 3627  
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Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties contend that consumers of legal services are in need of additional protections with regard to attorneys licensed to practice in other states who provide legal services in Texas. H.B. 3627 seeks to address this issue by improving compliance with Texas ethical and statutory requirements by out-of-state attorneys providing legal services to Texans.

### **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**

H.B. 3627 amends the Government Code to prohibit an out-of-state attorney who is not a member of the State Bar of Texas from entering into a legal services contract to represent or advise clients in Texas and from appearing as counsel in any matter in a court or domestic arbitration proceeding in Texas unless the attorney complies with all state laws and ethical duties imposed by the state disciplinary rules and codes of ethics applicable to members of the State Bar of Texas. The bill establishes that any obligation created by or relating to such a prohibited contract is not enforceable by a judge or arbitrator in a court or arbitration proceeding in Texas.

H.B. 3627 establishes that a contract entered into by an out-of-state attorney who is not a member of the State Bar of Texas, or by the law firm with whom the attorney is associated, to provide legal services related to any state court or domestic arbitration proceeding conducted in Texas is valid only if the attorney, and law firm if applicable, are subject to discipline for violations of any disciplinary rules and codes of ethics applicable to members of the State Bar of Texas. The bill requires such a contract to require the following: that the out-of-state attorney, or law firm as applicable, notify the office of chief disciplinary counsel of the State Bar of Texas about the contract on its execution; that each attorney providing legal services under the contract affirmatively agree to comply with all disciplinary rules and codes of ethics applicable to members of the State Bar of Texas; that each attorney providing legal services under the contract affirmatively agree to be subject to the jurisdiction of the state's disciplinary authorities in the same manner and to the same extent as members of the State Bar of Texas; and that each attorney providing legal services under the contract affirmatively agree to reciprocal enforcement by the bar association of the jurisdiction in which the attorney is licensed for any decision, determination, discipline, or sanction imposed by attorney disciplinary authorities in Texas.

H.B. 3627 makes a legal services contract that does not comply with the bill's provisions null, void, and unenforceable and establishes that a person is not liable under or obligated to pay for any legal service performed under such a contract.

**EFFECTIVE DATE**

September 1, 2017.