By: Shaheen H.B. No. 3627

A BILL TO BE ENTITLED

AN ACT

relating to compliance with ethical and statutory requirements by out-of-state attorneys providing legal services in this state.

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

SECTION 1. Subtitle G, Title 2, Government Code, is amended by adding Chapter 85 to read as follows:

CHAPTER 85. LEGAL SERVICES CONTRACTS BY OUT-OF-STATE ATTORNEYS

Sec. 85.001. PUBLIC POLICY. It is the public policy of this state that an out-of-state attorney who is not a member of the State Bar of Texas and who under a legal services contract represents or advises a client in this state or appears as counsel in any matter in a court or domestic arbitration proceeding in this state be required to comply with all state law and ethical duties imposed by the state disciplinary rules and codes of ethics applicable to members of the State Bar of Texas.

Sec. 85.002. PROHIBITED CONTRACTS AND ENFORCEMENT. (a) An out-of-state attorney who is not a member of the State Bar of Texas may not enter into a legal services contract to represent or advise clients in this state or appear as counsel in any matter in a court or domestic arbitration proceeding in this state 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.

(b) Any obligation created by or relating to a contract

prohibited under Subsection (a) is not enforceable by a judge or arbitrator in a court or arbitration proceeding in this state.

Sec. 85.003. LEGAL SERVICE CONTRACT REQUIREMENTS. (a) 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 this state 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.

(b) A contract for legal services described by Subsection (a) must require that:

(1) 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;

(2) 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;

(3) each attorney providing legal services under the contract affirmatively agree to be subject to the jurisdiction of this state's disciplinary authorities in the same manner and to the same extent as members of the State Bar of Texas; and

(4) 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 this state.

Sec. 85.004. VOIDABLE CONTRACTS. A legal services contract that does not comply with this chapter is null, void, and unenforceable.

Sec. 85.005. LIABILITY. A person is not liable under or obligated to pay for any legal service performed under a legal services contract that does not comply with this chapter.

SECTION 2. The changes in law made by this Act apply only to a legal services contract entered into on or after the effective date of this Act. A contract entered into before that date is governed by the law in effect on the date the contract was entered into and that law is continued in effect for that purpose.

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