

## **BILL ANALYSIS**

C.S.H.B. 1578  
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Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been noted that it can be difficult under state law to recover attorney's fees in civil cases from some legal entities, such as state agencies and certain classes of business entities. C.S.H.B. 1578 seeks to remedy this situation by expanding the types of entities from which attorney's fees may be recovered in applicable cases.

### **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. 1578 amends the Civil Practice and Remedies Code to include the state, an agency or institution of the state, or an organization, as defined under the Business Organizations Code, among the entities from which a person may recover reasonable attorney's fees in a civil action if the claim is of a specified nature.

### **EFFECTIVE DATE**

September 1, 2021.

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

While C.S.H.B. 1578 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the type of business entity that the bill subjects to attorney fee recovery from only a limited liability company to any type of organization as defined under the Business Organizations Code.

The substitute also includes the state or an agency or institution of the state among the entities from which attorney's fees may be recovered.