

By: Canales

H.B. No. 1974

A BILL TO BE ENTITLED

AN ACT

relating to contingent fee contracts for legal services.

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

SECTION 1. Section 2254.101, Government Code, is amended to read as follows:

Sec. 2254.101. DEFINITIONS. In this subchapter:

(2) "Contingent fee contract" means a contract for legal services under which the amount or the payment of the fee for the services is contingent in whole or in part on the outcome of the matter for which the services were obtained. A "contingent fee contract" includes an amendment to a contingent fee contract if the amendment changes the scope of representation or may result in the filing of a lawsuit or the amending of a petition in an existing lawsuit.

SECTION 2. The changes in law made by this Act apply to a contract or contract amendment signed or entered into on or after the effective date of this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.