

By: Miles

S.B. No. 755

A BILL TO BE ENTITLED

AN ACT

relating to protection of a client's money and property by an attorney representing the client; creating civil liability.

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

SECTION 1. Subchapter C, Chapter 82, Government Code, is amended by adding Section 82.0625 to read as follows:

Sec. 82.0625. PROTECTION OF CLIENT MONEY AND PROPERTY; LICENSE SUSPENSION; CIVIL LIABILITY. (a) This section applies only to an attorney who receives for a client represented by the attorney money or other property paid to settle a claim in which the client has an interest.

(b) The attorney:

(1) shall immediately notify the client on the attorney's receipt of the money or property; and

(2) may pay to a third person a claim owed by the client using the money or property only with the client's consent unless other law requires the attorney to pay the claim to the person.

(c) An attorney who violates Subsection (b) may be suspended from the practice of law for not more than six months by a district court of the county in which the attorney resides or in which the act complained of occurred.

(d) An attorney who violates Subsection (b) is subject to civil liability for the violation. A person may bring a civil

1 action against the attorney to recover:

2 (1) damages in an amount equal to the amount of money
3 or value of the property received by the attorney;

4 (2) interest at a rate not to exceed the judgment rate
5 authorized in the most recent Texas Credit Letter published by the
6 Office of Consumer Credit Commissioner; and

7 (3) reasonable attorney's fees.

8 SECTION 2. Section 82.0625, Government Code, as added by
9 this Act, applies only to money or other property received by an
10 attorney for a client on or after the effective date of this Act.
11 Money or other property received by an attorney for a client before
12 the effective date of this Act is governed by the law in effect on
13 the date the money or other property was received, and that law is
14 continued in effect for that purpose.

15 SECTION 3. This Act takes effect September 1, 2021.