

By: Vasut

H.B. No. 4573

A BILL TO BE ENTITLED

AN ACT

relating to civil liability, including sanctions, for prohibited barratry.

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

SECTION 1. Section 82.0651, Government Code, is amended by amending Subsection (a) and adding Subsections (d-1) and (d-2) to read as follows:

Sec. 82.0651. CIVIL LIABILITY FOR PROHIBITED BARRATRY. (a) A client may bring an action to void a contract for legal services that was attempted to be procured as a result of conduct violating Section 38.12(a) or (b), Penal Code, or Rule 7.03 of the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, regarding barratry by attorneys or other persons, and to recover any amount that may be awarded under Subsection (b). A client who enters into a contract described by this subsection may bring an action to recover any amount that may be awarded under Subsection (b) [~~even if the contract is voided voluntarily~~].

(d-1) A court shall impose a sanction in an amount provided by Subsection (d-2) against an attorney who pursues an action under this section on behalf of a client if:

(1) in the action under this section, the attorney's client fails to establish that the contract for legal services related to the underlying action was improperly procured or solicited as provided in Subsections (a) or (c);

1           (2) the court determines the action under this section  
2 was groundless as defined in Section 9.001(3); and

3           (3) the attorney:

4           (A) represented the client in the underlying  
5 action after the client terminated his or her relationship with the  
6 defendant-attorney in the underlying action; or

7           (B) has or will receive a fee from the client's  
8 recovery in the underlying action.

9           (d-2) A sanction imposed against an attorney under  
10 Subsection (d-1) shall:

11           (1) reimburse the defendant for the court costs and  
12 reasonable attorney's fees incurred defending against the action;  
13 and

14           (2) include an additional amount the court finds is  
15 sufficient to deter the attorney who brought the action under this  
16 section from bringing similar actions.

17           SECTION 3. The changes in law by this Act apply only to an  
18 action filed on or after the effective date of this Act.

19           SECTION 4. This Act takes effect September 1, 2025.