

BILL ANALYSIS

S.B. 1821
By: Huffman
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Last session, the legislature enacted legislation requiring most contingent fee contracts for legal services to be reviewed by the attorney general's office. For multimillion-dollar lawsuits, this oversight can be beneficial and ultimately save taxpayer dollars while ensuring that appropriate legal representation is retained. Unfortunately, it has been reported that certain school districts may be avoiding such oversight by working with contingency fee lawyers to amend previous contingency fee contracts rather than entering into new contracts, which are clearly subject to review. S.B. 1821 seeks to prevent attempts to evade oversight through amending existing contracts by classifying certain amendments to contingent fee contracts as a contract in its own right, thus subjecting the amendment to review.

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

S.B. 1821 amends the Government Code to classify an amendment to an existing contingent fee contract for legal services as a contingent fee contract itself, thus subjecting the amendment to review by the attorney general, if the amendment changes the scope of representation or may result in the filing of an action or the amending of a petition in an existing action.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.