

# SENATE BILL 951

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By: **Senator Klausmeier**

Introduced and read first time: February 17, 2021

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Workers’ Compensation Claims – Fees for Legal**  
3 **Services**

4 FOR the purpose of authorizing the Workers’ Compensation Commission, if there is no  
5 compensation other than a medical benefit payable to a covered employee, to order  
6 that a fee of not more than a certain amount for legal services rendered on behalf of  
7 the covered employee be payable by the covered employee, an employer or its insurer,  
8 a self-insured employer, or the Uninsured Employers’ Fund; exempting a certain fee  
9 for legal services from a certain provision of law providing that a fee ordered by the  
10 Commission is a lien on compensation awarded; providing for the application of this  
11 Act; and generally relating to fees for legal services rendered in connection with a  
12 workers’ compensation claim.

13 BY repealing and reenacting, with amendments,  
14 Article – Labor and Employment  
15 Section 9–731  
16 Annotated Code of Maryland  
17 (2016 Replacement Volume and 2020 Supplement)  
18 (As enacted by Chapter 8 of the Acts of the General Assembly of 1991)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 That the Laws of Maryland read as follows:

21 **Article – Labor and Employment**

22 9–731.

23 (a) (1) Unless approved by the Commission, a person may not charge or collect  
24 a fee for:

25 (i) legal services in connection with a claim under this title;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) medical services, supplies, or treatment provided under Subtitle  
2 6, Part IX of this title; or

3 (iii) funeral expenses under Subtitle 6, Part XIII of this title.

4 **(2) IF NO COMPENSATION OTHER THAN A MEDICAL BENEFIT IS**  
5 **PAYABLE TO THE COVERED EMPLOYEE, THE COMMISSION MAY ORDER THAT A FEE**  
6 **OF NOT MORE THAN \$2,000 FOR LEGAL SERVICES RENDERED ON BEHALF OF THE**  
7 **COVERED EMPLOYEE BE PAYABLE BY:**

8 **(I) THE COVERED EMPLOYEE;**

9 **(II) THE EMPLOYER OR ITS INSURER;**

10 **(III) A SELF-INSURED EMPLOYER; OR**

11 **(IV) THE UNINSURED EMPLOYERS' FUND.**

12 **[(2)] (3) [When] EXCEPT FOR A FEE THAT THE COMMISSION ORDERS**  
13 **UNDER PARAGRAPH (2) OF THIS SUBSECTION, WHEN** the Commission approves a fee,  
14 the fee is a lien on the compensation awarded.

15 **[(3)] (4)** Notwithstanding paragraph **[(2)] (3)** of this subsection, a fee  
16 shall be paid from an award of compensation only in the manner set by the Commission.

17 (b) (1) The Commission may order that a fee payable from compensation under  
18 subsection (a) of this section be paid in a lump sum.

19 (2) If the Commission grants a lump-sum payment under paragraph (1) of  
20 this subsection, the Commission shall:

21 (i) reduce the weekly rate of compensation until the amount of the  
22 lump sum would have been paid if it had been paid in weekly payments; and

23 (ii) state in the award the dollar amount and the number of weeks  
24 that the reduced rate shall be paid by:

25 1. the employer or its insurer; or

26 2. if payments are made from the Subsequent Injury Fund,  
27 the Subsequent Injury Fund.

28 (c) On application of a party, the Commission may:

29 (1) hear and decide any question concerning legal services performed in

1 connection with a claim; and

2 (2) order a person who received a fee for legal services to refund to the  
3 payer any part of the fee that the Commission may find to be excessive.

4 (d) An order of the Commission regulating payment or refund of payment for legal  
5 services may be enforced or appealed in the same manner as a compensation award.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
7 apply only prospectively and may not be applied or interpreted to have any effect on or  
8 application to any claims arising from events occurring before the effective date of this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 October 1, 2021.