

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	SB 984
Version:	ENGR
Request Number:	
Author:	Rep. O'Donnell
Date:	4/7/2021
Impact:	Attorney General: \$0

Research Analysis

SB 984 allows state agencies to select a law firm to represent the agency and directs the Attorney General to add law firms, when applicable, to the list of legal entities eligible to represent state agencies, including a schedule of fees for each attorney and firm to be made available to the public.

Contingency fee contracts are capped by the measure at:

- 1) 25% of that portion of any amount recovered that is \$10 million or less,
- 2) 20% of that portion of any amount recovered that is \$10-\$15 million,
- 3) 15% of that portion of any amount recovered that is \$15-\$20 million,
- 4) 10% of that portion of any amount recovered that is \$20-\$25 million. and
- 5) 5% of that portion of any amount recovered that is greater than \$25 million.

Additionally, the total fee payable to all retained private attorneys in any contingency fee contract may not exceed \$50,000,000 exclusive of any costs and expenses provided by the contract. The measure directs the Attorney General to develop a standard clause for inclusion in every contract for contingent fee attorney services. The clause shall include provisions providing for government attorneys to retain control of the case, supervisory authority, veto power over decisions made in the case, contract with defendants, and final decision-making authority. The measure also directs the Attorney General to publish all contingency fee contracts on its website within 5 business days after the date the contract is executed. All payments made in accordance with contingency fee contracts must be published within 15 days of the after payment is delivered. Private attorneys or firms under contract must maintain records documenting all expenses, disbursements, charges, credits, underlying receipts and invoices and other financial transactions related to the attorney services for at least 4 years after the contract is completed. The measure also directs agencies to notify the Attorney General of any past or present relationship between a lawyer or firm and the state agency and its employees. Agencies must also notify the Attorney General about any contingency fees and the justification for using private attorneys. The Legislative Office of Fiscal Transparency and Contingency Review Board shall receive a copy of the expense report provided to the Attorney General and provided the reasons for not obtaining representation from an attorney employed by the agency. Any contract between an agency and firm or lawyer wherein the case, transaction or matter will equal or exceed \$1 million must be forwarded to the Legislative Oversight Committee overseeing the Office. The measure authorizes the President Pro Tempore of the Senate, Speaker of the House, and Governor to exempt a legal matter from the requirements of the measure if an exemption is deemed to be in the best interest of the state upon request by an official of the agency.

Prepared By: Brad Wolgamott

Fiscal Analysis

The measure modifies the process for the contracting of legal services for the state.

Upon review and with consultation from the Attorney General's office, no additional appropriated funding is necessary to comply with the provisions of the measure.

Prepared By: Clayton Mayfield

Other Considerations

None.