

SENATE BILL 619

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CF HB 767

By: **Senator Klausmeier**

Introduced and read first time: February 3, 2020

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Workers' Compensation – Fees for Legal Services**

3 FOR the purpose of authorizing the Workers' Compensation Commission, if there is no
4 compensation payable to a covered employee, to order that a fee of not more than a
5 certain amount for legal services rendered on behalf of the covered employee be
6 payable by the covered employee, an employer or its insurer, a self-insured
7 employer, or the Uninsured Employers' Fund; and generally relating to fees for legal
8 services rendered in connection with a workers' compensation claim.

9 BY repealing and reenacting, with amendments,
10 Article – Labor and Employment
11 Section 9–731
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2019 Supplement)

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

16 **Article – Labor and Employment**

17 9–731.

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

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

21 (ii) medical services, supplies, or treatment provided under Subtitle
22 6, Part IX of this title; or

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

8 **[(2)] (3) [When] EXCEPT FOR A FEE ORDERED UNDER PARAGRAPH**
9 **(2) OF THIS SUBSECTION, WHEN** the Commission approves a fee, the fee is a lien on the
10 compensation awarded.

11 **[(3)] (4)** Notwithstanding paragraph **[(2)] (3)** of this subsection, a fee
12 shall be paid from an award of compensation only in the manner set by the Commission.

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

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

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

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

21 1. the employer or its insurer; or

22 2. if payments are made from the Subsequent Injury Fund,
23 the Subsequent Injury Fund.

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

25 (1) hear and decide any question concerning legal services performed in
26 connection with a claim; and

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

29 (d) An order of the Commission regulating payment or refund of payment for legal

1 services may be enforced or appealed in the same manner as a compensation award.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 October 1, 2020.