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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/13  
 LAST UPDATED 03/15/13      HB \_\_\_\_\_

SPONSOR Cervantes

SHORT TITLE Civil Case Reciprocal Attorney Fee Awards      SB 159/aHJC

ANALYST Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI	NFI	Recurring	

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

Attorney General’s Office (AGO)

### SUMMARY

#### Synopsis of HJC Amendment

The House Judiciary Committee amendment to Senate Bill 159 clarifies that the legislation will apply to promissory notes or contracts signed on or after July 1, 2014.

#### Synopsis of Original Bill

Senate Bill 159 (SB 159) permits a court to award reasonable attorney fees as part of the costs to a party that prevails in any civil action commenced on or after July 1, 2014 that is based on a promissory note, written contract or other writing if the provisions of the note, contract or writing allow at least one party to recover attorney fees. The bill defines “writing” to exclude the provisions of a constitution, statute, rule, regulation, order, judgment, decree, ordinance, code or similar promulgation. SB 159 provides that a waiver, release or relinquishment of a right to recover attorney fees conferred pursuant to this law, executed on or after July 1, 2014, is void, unless it is executed as part of a complete settlement of a bona fide dispute.

### SIGNIFICANT ISSUES

The AGO notes that this bill could face a potential legal challenge as an effort by the State to modify a contract, but that challenge is unlikely to succeed.