SENATE BILL 433

By: Senator Klausmeier
Introduced and read first time: January 26, 2022
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

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

FOR the purpose of authorizing the Workers’ Compensation Commission, if there is no compensation other than a medical benefit payable to a covered employee, to order that a fee of not more than a certain amount for legal services rendered on behalf of the covered employee be payable by the covered employee, an employer or its insurer, a self–insured employer, or the Uninsured Employers’ Fund; exempting the ordered fee from the requirement that a fee approved by the Commission be a lien on compensation awarded; and generally relating to fees for legal services rendered in connection with a workers’ compensation claim.

BY repealing and reenacting, with amendments,

Article – Labor and Employment
Section 9–731
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article – Labor and Employment

9–731.

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

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

(ii) medical services, supplies, or treatment provided under Subtitle

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
6, Part IX of this title; or

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

(2) If no compensation other than a medical benefit is payable to the covered employee, the Commission may order that a fee of not more than $2,000 for legal services rendered on behalf of the covered employee be payable by:

(I) the covered employee;

(II) the employer or its insurer;

(III) a self–insured employer; or

(IV) the uninsured employers’ fund.

[2)] (3) [When] Except for a fee that the Commission orders under paragraph (2) of this subsection, when the Commission approves a fee, the fee is a lien on the compensation awarded.

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

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

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

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

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

1. the employer or its insurer; or

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

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

(1) hear and decide any question concerning legal services performed in connection with a claim; and
(2) order a person who received a fee for legal services to refund to the payer any part of the fee that the Commission may find to be excessive.

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

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

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.