

SENATE BILL 433

K1
SB 951/21 – SRU

2lr0414
CF 2lr3073

By: **Senator Klausmeier**

Introduced and read first time: January 26, 2022

Assigned to: Finance

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 the ordered
9 fee from the requirement that a fee approved by the Commission be a lien on
10 compensation awarded; and generally relating to fees for legal services rendered in
11 connection with a workers’ compensation claim.

12 BY repealing and reenacting, with amendments,
13 Article – Labor and Employment
14 Section 9–731
15 Annotated Code of Maryland
16 (2016 Replacement Volume and 2021 Supplement)

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

19 **Article – Labor and Employment**

20 9–731.

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 6, Part IX of this title; or

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

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

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

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

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

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

11 **[(2)] (3) [When] EXCEPT FOR A FEE THAT THE COMMISSION ORDERS**
 12 **UNDER PARAGRAPH (2) OF THIS SUBSECTION, WHEN** the Commission approves a fee,
 13 the fee is a lien on the compensation awarded.

14 **[(3)] (4)** Notwithstanding paragraph **[(2)] (3)** of this subsection, a fee
 15 shall be paid from an award of compensation only in the manner set by the Commission.

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

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

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

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

24 1. the employer or its insurer; or

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

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

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

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

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

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

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