



House Bill 767

Workers' Compensation – Fees for Legal Services

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: March 3, 2020

From: Drew Jabin

The Maryland Association of Counties (MACo) **OPPOSES** HB 767. This troublesome bill would upend the basic structure of workers' compensation law and potentially leave counties and other employers liable for payment of legal fees. Not only is the lack of clarity in the bill concerning the proposed process is contradictory to the intent of the Maryland Workers' Compensation Act.

Under current law, the employer pays no direct attorneys' fees; rather, the claimant pays a contingency fee of the monies awarded by the Commission, with the fee being a lien against the award. For example, in a situation where the award is \$10,000, the employer might pay the claimant \$8,000 and the balance to the attorney.

The Maryland Workers' Compensation Act is deliberately meant to balance the interests of employers, the public, and injured workers. The Act never contemplated employers directly paying attorney fees, underlying the policy rationale for the eventual contingency fee as a lien.

This bill poses a potentially significant financial burden for county governments and other employers, and disturbs a fair balance of party interests in the entire Workers' Compensation scheme. For these reasons, MACo **OPPOSES** HB 767 and urges an **UNFAVORABLE** report.