

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 3347**  
**103RD GENERAL ASSEMBLY**

7261H.02C

JOSEPH ENGLER, Chief Clerk

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**AN ACT**

To amend chapters 67 and 311, RSMo, by adding thereto two new sections relating to political subdivisions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapters 67 and 311, RSMo, are amended by adding thereto two new sections, to be known as sections 67.5500 and 311.038, to read as follows:

**67.5500. 1. As used in this section, the following terms shall mean:**

**(1) "Contingent fee", any fee that is contingent on the outcome of the matter for which the service is rendered;**

**(2) "Political subdivision", shall include:**

**(a) A political or taxing subdivision of this state, including municipal and quasi-municipal corporations, boards, commissions, authorities, councils, committees, subcommittees, and other subordinate groups or administrative units thereof, receiving or expending and supported by, in whole or in part, public funds; and**

**(b) Any municipality that is a city, town, or village that is incorporated in accordance with the laws of this state.**

**2. A political subdivision may enter into a contingent fee contract for legal services only if the governing body of the political subdivision:**

**(1) Calls an official public meeting for the purpose of considering the contract and provides in the notice of the meeting the following:**

**(a) Reasons for pursuing the matter that is the subject of the legal services for which the attorney or law firm would be retained and the desired outcome of pursuing the matter;**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18           **(b) Qualifications, experience, and competence of the attorney or law firm**  
19 **selected by the governing body;**

20           **(c) The nature of any relationship, regardless of duration, between the political**  
21 **subdivision or governing body and the attorney or law firm that is a party to the**  
22 **contract;**

23           **(d) Reasons the legal services cannot be adequately performed by the attorneys**  
24 **and supporting personnel of the political subdivision;**

25           **(e) Reasons the legal services cannot be reasonably obtained from attorneys**  
26 **under a contract providing for an hourly rate payment structure as opposed to a**  
27 **contingency fee structure; and**

28           **(f) Reasons why entering into a contingent fee contract for legal services is in the**  
29 **best interest of the residents of the political subdivision; and**

30           **(2) Makes a written finding that:**

31           **(a) There is a substantial need for the legal services that are the subject of the**  
32 **contingent fee contract;**

33           **(b) The legal services cannot be adequately performed by the attorneys and**  
34 **supporting personnel of the political subdivision;**

35           **(c) The legal services cannot reasonably be obtained from attorneys under a**  
36 **contract providing for an hourly rate payment structure because of the nature of the**  
37 **legal matter that is the subject of the contract or because the political subdivision does**  
38 **not have the funds necessary to pay the estimated cost of the legal services provided**  
39 **under a contract providing for an hourly rate payment structure; and**

40           **(d) Approves the contract in an open meeting after discussion and consideration**  
41 **of the items in subdivision (1) of this subsection.**

42           **3. A contingent fee contract for legal services between a political subdivision and**  
43 **an attorney or law firm shall:**

44           **(1) Provide that the political subdivision retains ultimate control over the course**  
45 **and conduct of the case;**

46           **(2) Provide that final approval regarding resolution of the case is reserved**  
47 **exclusively to the political subdivision; and**

48           **(3) Not provide for the private attorney or law firm to receive a contingency fee**  
49 **that exceeds the levels provided by subsections 7 and 8 of section 34.378.**

50           **4. Before a contingency fee contract for legal services approved by a political**  
51 **subdivision is effective and enforceable, the political subdivision shall obtain approval of**  
52 **the contract from the attorney general. The political subdivision shall provide to the**  
53 **attorney general:**

54           **(1) A copy of the proposed contract;**

55           **(2) A description of the legal matter that is the subject of the proposed contract;**

56           **(3) A copy of the notice issued under subdivision (1) of subsection 2 of this**  
57 **section, the date such notice was issued, and a description of the method for providing**  
58 **such notice; and**

59           **(4) A copy of the written findings made under subdivision (2) of subsection 2 of**  
60 **this section.**

61           **5. The attorney general shall, within forty-five days after the political**  
62 **subdivision has provided the attorney general with the information described**  
63 **subsection 3 of this section:**

64           **(1) Approve the contract and, if the request involves a matter of purely local**  
65 **concern that does not implicate any statewide interest, shall do so promptly; or**

66           **(2) Refuse to approve the contract for one of the following reasons:**

67           **(a) The legal matter that is the subject of the contract presents one or more**  
68 **questions of law or fact that are in common with a matter the state has already**  
69 **addressed or is pursuing;**

70           **(b) The legal matter involves claims or issues that are more appropriately within**  
71 **the scope of state enforcement and the pursuit of the matter independently by the**  
72 **political subdivision could lead to inconsistent legal outcomes or undermine the state's**  
73 **unified position; or**

74           **(c) The contract does not comply with the Missouri rules of professional conduct**  
75 **for attorneys adopted by the Missouri supreme court.**

76           **6. If the attorney general has not taken action on a contract under subsection 5**  
77 **of this section within forty-five days of receipt, such contract shall be deemed approved.**

78           **7. In any judicial or quasi-judicial proceeding in which a political subdivision is**  
79 **represented by an attorney providing legal services under a contingent fee contract for**  
80 **legal services that does not comply with the provisions of this section, the attorney**  
81 **general may appear in such proceeding and request that the proceeding be dismissed. If**  
82 **the court or quasi-judicial body concludes that the contract for legal services does not**  
83 **comply with the provisions of this section, the court or quasi-judicial body shall dismiss**  
84 **the matter without prejudice.**

85           **8. The attorney general shall review the contract and approve or refuse to**  
86 **approve the contract under subsection 5 of this section. Any judicial or quasi-judicial**  
87 **proceeding that is ongoing involving a contingent fee contract for legal services entered**  
88 **into by a political subdivision shall proceed unless the attorney general appears in such**  
89 **proceeding as described in subsection 7 of this section.**

90           **9. Nothing contained in this section shall apply to any action brought prior to**  
91 **August 28, 2026.**

**311.038. 1. The state expressly preempts the field of regulating the sale of  
2 alcoholic beverages specifically as it relates to the size of the container, the volume of  
3 fluid ounces in the container, the alcohol content of the liquid in the container, and the  
4 number of containers that can be purchased per transaction.**

**5 2. The state shall supersede and render null and void any local laws, ordinances,  
6 orders, rules, or regulations enacted by a county, city, municipality, or other political  
7 subdivision before, on, or after the effective date of this section that attempts to regulate  
8 the sale of alcoholic beverages as detailed in this section.**

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