

HB 3347 -- LEGAL CONTRACTS ENTERED INTO BY POLITICAL SUBDIVISIONS

SPONSOR: Murphy

This bill regulates contingent fee contracts used by political subdivisions for legal services.

To enter a contract, the governing body must hold a public meeting with a notice detailing the reasons for pursuing the matter, the qualifications of the attorney or firm, any existing relationships between the political subdivision and the attorney or firm, why internal resources or hourly contracts are inadequate, and how the arrangement benefits residents of the political subdivision.

The governing body must also make a written finding that there is substantial need for the legal services, that they cannot be adequately performed internally, and that they cannot be reasonably obtained from attorneys under a different type of payment structure. The contract must then be approved in an open meeting.

A contingent fee contract must ensure that the political subdivision maintains ultimate control over the case, that final approval is reserved by the political subdivision, and that contingency fees have the same limits set for state contingency fee legal services contracts.

Before becoming effective and enforceable, the political subdivision must obtain approval of the contract from the Attorney General (AG). The political subdivision must provide relevant documents related to its decision to enter into the contract to the AG.

Within 45 days after the political subdivision provides this information to the AG, the AG must approve or refuse to approve the contract. Reasons the AG may refuse to approve the contract are provided in the bill.

For enforcement, the AG may intervene in judicial or quasi-judicial proceedings involving non-compliant contracts to request dismissal without prejudice. If the court or quasi-judicial body concludes the contract for legal services does not comply with this section, then the court must dismiss the matter without prejudice.

Ongoing cases are grandfathered and will proceed unless the AG intervenes.