

2024 Regular Session

SENATE BILL NO. 483

BY SENATOR MORRIS

ATTORNEYS. Provides relative to attorney service contracts. (8/1/24)

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AN ACT

To amend and reenact R.S. 37:218(A), relative to attorney service contracts; to provide that attorney service contract liens do not prime mortgages affecting immovable property or judgments enforcing mortgages on immovable property; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 37:218(A) is hereby amended and reenacted to read as follows:

§218. Contract for fee based on proportion of subject matter; stipulation concerning compromise, discontinuance, or settlement

A. By written contract signed by his client, an attorney at law may acquire as his fee an interest in the subject matter of a suit, proposed suit, or claim in the assertion, prosecution, or defense of which he is employed, whether the claim or suit be for money or for property. Such interest shall be a special privilege to take rank as a first privilege thereon, superior to all other privileges and security interests under Chapter 9 of the Louisiana Commercial Laws. In such contract, it may be stipulated that neither the attorney nor the client may, without the written consent of the other, settle, compromise, release, discontinue, or otherwise dispose of the suit

1 or claim. Either party to the contract may, at any time, file and record it with the
 2 clerk of court in the parish in which the suit is pending or is to be brought or with the
 3 clerk of court in the parish of the client's domicile. **Nothing in this Section or any**
 4 **other provision of law, including R.S. 9:5001, shall be construed as allowing a**
 5 **lien created pursuant to this Subsection to be superior in rank to a mortgage**
 6 **affecting immovable property or a judgment rendered enforcing a mortgage**
 7 **on immovable property.** After such filing, any settlement, compromise,
 8 discontinuance, or other disposition made of the suit or claim by either the attorney
 9 or the client, without the written consent of the other, is null and void and the suit or
 10 claim shall be proceeded with as if no such settlement, compromise, discontinuance,
 11 or other disposition has been made.

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The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Jonathon Wagner.

	DIGEST	
SB 483 Original	2024 Regular Session	Morris

Present law provides that an attorney's contract for service can include provisions granting him an interest in the subject matter of a suit, proposed suit, or claim in the assertion, prosecution, or defense of which he is employed. Present law provides that the attorney's lien is superior to all other privileges and security interests.

Proposed law provides a lien created by an attorney's contract for service is not superior in rank to a mortgage on immovable property or a judgment enforcing a mortgage on immovable property.

Effective August 1, 2024.

(Amends R.S. 37:218(A))