

HOUSE BILL 1012

K1

3lr2355

By: **Delegate Valderrama**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Workers' Compensation – Fees for Legal Services**

3 FOR the purpose of requiring the Workers' Compensation Commission, under certain
4 circumstances, to order the employer or its insurer, a self-insured employer, or the
5 Uninsured Employers' Fund to pay a fee of not more than a certain amount for legal
6 services rendered on behalf of a covered employee; and generally relating to fees for
7 legal services rendered in connection with a workers' compensation claim.

8 BY repealing and reenacting, with amendments,

9 Article – Labor and Employment

10 Section 9–731

11 Annotated Code of Maryland

12 (2016 Replacement Volume and 2022 Supplement)

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

15 **Article – Labor and Employment**

16 9–731.

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

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

20 (ii) medical services, supplies, or treatment provided under Subtitle
21 6, Part IX of this title; or

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) When the Commission approves a fee, the fee is a lien on the
2 compensation awarded.

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

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

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

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

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

13 1. the employer or its insurer; or

14 2. if payments are made from the Subsequent Injury Fund,
15 the Subsequent Injury Fund.

16 **(3) IF NO COMPENSATION IS PAYABLE TO A COVERED EMPLOYEE AND**
17 **THE COVERED EMPLOYEE IS AWARDED A MEDICAL BENEFIT AT A HEARING, THE**
18 **COMMISSION SHALL ORDER THE EMPLOYER OR ITS INSURER, A SELF-INSURED**
19 **EMPLOYER, OR THE UNINSURED EMPLOYERS' FUND TO PAY A FEE OF NOT MORE**
20 **THAN \$2,000 FOR LEGAL SERVICES RENDERED ON BEHALF OF THE COVERED**
21 **EMPLOYEE.**

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

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

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

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

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

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2023.