

2024 Regular Session

SENATE BILL NO. 458

BY SENATOR BASS

ATTORNEYS. Provides for contingency fee contracts. (8/1/24)

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AN ACT

To amend and reenact R.S. 37:218(A), relative to attorney-client contracts; to provide relative to contingency fee contracts; 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 **either** 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 or claim. Either party to the contract may, at any time, file and record it with the clerk of court in the parish in which the suit is pending or is to be brought or with the

1 clerk of court in the parish of the client's domicile. After such filing, any settlement,  
 2 compromise, discontinuance, or other disposition made of the suit or claim by either  
 3 the attorney or the client, without the written consent of the other, is null and void  
 4 and the suit or claim shall be proceeded with as if no such settlement, compromise,  
 5 discontinuance, 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 Hanna Gettys.

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DIGEST

SB 458 Original 2024 Regular Session Bass

Present law provides that 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.

Present law provides that the attorney fee shall be a special privilege to take rank as a first privilege thereon, superior to all other privileges and security interests under present law.

Present law provides that 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 or claim. Either party to the contract may, at any time, file and record it with the clerk of court in the parish in which the suit is pending or is to be brought or with the clerk of court in the parish of the client's domicile.

Present law provides that a filing, any settlement, compromise, discontinuance, or other disposition made of the suit or claim by either the attorney or the client, without the written consent of the other, is null and void and the suit or claim shall be proceeded with as if no such settlement, compromise, discontinuance, or other disposition has been made.

Proposed law retains present law.

Effective August 1, 2024.

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