

# Senate Bill 702

Sponsored by Senator ATKINSON

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires that attorney who enters into contingent fee agreement must give written notice to each person against whom claim is to be made at least 60 days before filing action. Requires that client receive at least \_\_\_\_\_ percent of amount accepted in settlement before action is filed, without regard to terms of contingent fee agreement.

## A BILL FOR AN ACT

1  
2 Relating to contingent fees.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) In any case in which an attorney enters into an agreement with a client**  
5 **to be paid a contingent fee, the attorney must give written notice to each person against**  
6 **whom a claim is to be made at least 60 days before filing an action. The notice must indicate**  
7 **the basis of the claim and the amounts that are claimed.**

8 **(2) If a person who receives a notice under subsection (1) of this section makes a settle-**  
9 **ment offer before an action is filed and the client accepts the offer, the client shall receive**  
10 **at least \_\_\_\_\_ percent of the amount accepted in settlement, without regard to the terms**  
11 **of the contingent fee agreement.**

12 **(3) Any provision in a contingent fee agreement that provides for payment of a fee in**  
13 **excess of the limitation imposed by subsection (2) of this section is void and of no force and**  
14 **effect.**

15 **(4) In any action that is subject to subsection (1) of this section, the complaint must**  
16 **contain an allegation that the attorney representing the client has complied with subsection**  
17 **(1) of this section. The court shall dismiss any complaint that does not comply with this**  
18 **subsection. A dismissal under this subsection is without prejudice. If a complaint is dis-**  
19 **missed under this subsection, the court shall enter, as part of the judgment of dismissal, a**  
20 **money award for all attorney fees and costs incurred by the defendant in the dismissed**  
21 **action.**

22 **SECTION 2. Section 1 of this 2005 Act applies only to contingent fee agreements entered**  
23 **into on or after the effective date of this 2005 Act.**

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**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.