

OCCUPATIONS CODE

TITLE 5. REGULATION OF FINANCIAL AND LEGAL SERVICES

SUBTITLE B. LEGAL SERVICES

CHAPTER 952. LAWYER REFERRAL SERVICES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 952.001. SHORT TITLE. This chapter may be cited as the Texas Lawyer Referral Service Quality Assurance Act. Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.002. DEFINITIONS. In this chapter:

(1) "Lawyer referral service" means a person or the service provided by the person that refers potential clients to lawyers regardless of whether the person uses the term "referral service" to describe the service provided.

(2) "State bar" means the State Bar of Texas. Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.003. APPLICABILITY OF CHAPTER. A lawyer referral service does not include:

(1) an organization that recommends, furnishes, or pays for legal services for its members or beneficiaries and that satisfies the conditions of the Disciplinary Rules of Professional Conduct or other rules adopted by the supreme court;

(2) a plan of prepaid legal services insurance;

(3) a referral made by one lawyer to another lawyer that conforms with the Disciplinary Rules of Professional Conduct or other rules adopted by the supreme court;

(4) lawyers who jointly advertise their services in a manner that clearly shows that the advertising is intended solely to solicit clients for those lawyers; or

(5) a service of a pro bono publico legal assistance program that does not accept a fee from either the lawyer or the client.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

## SUBCHAPTER B. STATE BAR POWERS AND DUTIES

Sec. 952.051. RULES; ENFORCEMENT. (a) The state bar shall adopt reasonable rules subject to the approval of the supreme court to administer this chapter.

(b) The state bar may enforce this chapter and the rules adopted under this chapter.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.052. FEES. The state bar may set fees, in amounts that are reasonable and necessary to cover the costs of administering this chapter, for the issuance and renewal of a certificate under this chapter.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

## SUBCHAPTER C. CERTIFICATION

Sec. 952.101. CERTIFICATE REQUIRED. A person may not operate a lawyer referral service in this state unless the person holds a certificate issued under this chapter.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.102. APPLICATION REQUIREMENTS; RENEWAL. (a) An applicant for a certificate or the renewal of a certificate issued under this chapter must:

(1) be operated by:

(A) a governmental entity; or

(B) a nonprofit entity exempt from the payment of federal income taxes under Section 501(a) of the Internal Revenue Code of 1986 and its subsequent amendments by being listed as an exempt entity under Section 501(c)(3), 501(c)(4), or 501(c)(6) of that code;

(2) certify on the application provided by the state bar that the applicant operates primarily for the benefit of the public; and

(3) provide the state bar with a list containing the name, firm name, address, and business telephone number of at least

25 lawyers, each from different law firms, who have contracted with the applicant to receive referral services.

(b) The list required under Subsection (a)(3) must include each lawyer or firm that is a subscriber or potential subscriber to the applicant's services.

(c) A certificate is valid for one year from the date issued and may be renewed annually on the payment of the required renewal fee.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

#### SUBCHAPTER D. REFERRAL SERVICE REQUIREMENTS

Sec. 952.151. NOTICE REQUIREMENT. (a) A lawyer referral service shall include the following statement in any advertising or other promotional effort: "This service is certified as a lawyer referral service as required by the State of Texas under Chapter [952](#), Occupations Code."

(b) Advertising or other promotional materials of a lawyer referral service prepared before September 1, 1999, that comply with Section 12, Texas Lawyer Referral Service Quality Assurance Act (Article 320d, Vernon's Texas Civil Statutes), as that section existed on August 31, 1999, are not required to comply with Subsection (a).

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.152. LAWYER PARTICIPATION. A lawyer who is licensed and in good standing in this state and who maintains an office in the geographical area served by a lawyer referral service may receive referrals of potential clients from the service if the lawyer:

(1) complies with Section [952.155](#); and

(2) pays a reasonable registration and membership fee not to exceed the amount set by state bar rules.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.153. PROOF OF FINANCIAL RESPONSIBILITY. A lawyer referral service may require a member, as a condition of

membership, to:

(1) obtain a policy of errors and omissions insurance;

or

(2) establish other proof of financial responsibility in an amount determined by the service.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.154. SUBJECT MATTER AND OTHER PANELS. (a) A lawyer referral service shall establish specific subject matter panels.

(b) A lawyer referral service may establish:

(1) moderate-fee and no-fee panels;

(2) alternative dispute resolution panels; and

(3) other special panels that respond to the referral needs of the public.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.155. LIMITATIONS ON CLIENT FEES. (a) A lawyer may not charge a potential client referred to the lawyer by a referral service an amount that exceeds the total cost the client would have been required to pay, including legal fees and expenses, if a referral service had not referred the client.

(b) The combined amounts of any fee charged to a potential client by the lawyer or the referral service may not exceed \$20 for the first 30 minutes of the initial office visit with the lawyer.

(c) An agreement between a lawyer and a referral service to eliminate or restrict the fee for the first 30 minutes of an initial office visit with the lawyer does not violate any statute or rule, including Chapter 15, Business & Commerce Code.

(d) A fee charged under Subsection (b) may be used only to pay:

(1) the reasonable operating expenses of the referral service; or

(2) the expenses of a public service program, including a pro bono publico legal program.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER E. COMPLAINT PROCEDURES AND ENFORCEMENT

Sec. 952.201. EVALUATION AND COMPLAINT PROCEDURES. A lawyer referral service shall establish policies and procedures to:

(1) evaluate client satisfaction with its services; and

(2) address client complaints with regard to the referral service or the lawyers and firms that subscribe to the referral service.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.202. SUSPENSION OR REMOVAL FROM LAWYER REFERRAL SERVICE. (a) A lawyer referral service shall establish written policies and procedures to suspend or remove a lawyer or firm from the referral service's list of subscribers.

(b) The policies and procedures established under Subsection (a) must include the suspension and removal of a lawyer who fails to handle referred clients in a diligent and responsible manner.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.

Sec. 952.203. INJUNCTIVE RELIEF. (a) The state bar or a lawyer referral service certified under this chapter may bring an action to enjoin a violation of this chapter and may recover costs and attorney's fees related to obtaining the injunction.

(b) Bond or other security may not be required of the state bar or a referral service as a condition for the issuance of an injunction under this section.

Acts 1999, 76th Leg., ch. 388, Sec. 1, eff. Sept. 1, 1999.