

# HOUSE BILL 1012

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3lr2355  
CF 3lr3122

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By: **Delegate Valderrama**

Introduced and read first time: February 10, 2023

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 6, 2023

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## CHAPTER \_\_\_\_\_

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;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (ii) medical services, supplies, or treatment provided under Subtitle  
2 6, Part IX of this title; or

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

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

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

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

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

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

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

16 1. the employer or its insurer; or

17 2. if payments are made from the Subsequent Injury Fund,  
18 the Subsequent Injury Fund.

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

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

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

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

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

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

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.