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Looking Back at the 87th Texas Legislature:

An Overview of Bills that Passed, Bills that Died, and Bills that May Live Again

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Table of Contents

I.	Intro	duction	
II.	Legis	slation That Passed	5
	A.	Attorney's Fees	5
		HB 1578 – Recovery of Attorney's Fees in Certain Civil Cases	5
		HB 2416 – Recovery of Attorney's Fees as Compensatory Damages	6
	B.	Civil Liability/Causes of Action	6
		HB 19 – Procedure, Evidence, and Remedies in Civil Actions Involving Motor Vehicle Accidents	6
		SB 6 – Liability for Certain Claims Arising During a Pandemic or Other Disaster or Emergency	9
	C.	Contractor Liability Limitations	13
		SB 219 – Civil Liability and Responsibility for the Consequences of Defects in Plans, Specifications, or Related Documents for Construction and Repair of Real Property Improvements	13
		HB 2086 – Appeals from an Interlocutory Order Denying a Motion for Summary Judgment by Certain Contractors	15
	D.	Court Costs	15
		SB 41 – Consolidation and Allocation of State Court Costs	15
	E.	Damages	16
		HB 2064 – Amount of Hospital or Physician Liens on Certain Causes of Action or Claims	16
	F.	Healthcare Liability	16
		SB 232 – Service of Expert Reports for Health Care Liability	16
	G.	Judiciary	17
		SJR 47 – Proposed Constitutional Amendment Changing the Eligibility Requirements for Certain Judicial Offices	17
		HB 3774 – Discrimination Against or Burdening Certain Constitutional Rights of an Applicant or Holder of a Law License	18

III. Legislation That Failed

A.	Attorneys/Practice of Law	18
	SB 247/HB 3940 – Discrimination Against or Burdening Certain Constitutiona Rights of an Applicant or Holder of a Law License	
	SB 755 – Protection of a Client's Money and Property by an Attorney	19
	HB 2393/SB 891 – State Bar of Texas Elections	20
	HB 2714 – Implicit Bias Training for Judges, Judicial Officers, Court Personnel, and Attorneys	20
	HB 4543 – Firm Names Used by Licensed Attorneys	21
B.	Attorney's Fees	21
	SB 808/HB 3377 – Attorney's Fees in Certain Civil Cases	21
	HB 1162 – Recovery of Attorney's Fees in Certain Civil Cases	22
	HB 1358 – Recovery of Attorney's Fees in Certain Civil Cases	22
	HB 2917 – Recovery of Attorney's Fees in Certain Civil Cases	23
	HB 3150 – Recovery of Attorney's Fees in Certain Civil Actions	23
	HB 3349 – Recovery of Attorney's Fees in Certain Civil Cases	23
	HB 3695 – Recovery of Attorney's Fees	23
C.	Civil Liability/Causes of Action	24
	HB 3 – State and Local Government Responses to a Pandemic Disaster	24
	HB 2071 – Elimination of Limitations Periods for Suits for Personal Injury Arising from Certain Offenses against a Child	26
	HB 2782 – Business Civil Liability for COVID-19 Exposure	27
	HB 3024 – Civil and Criminal Liability for Doxing	27
	HB 4213 – Appeal of a Sanction Issued by a Court Following a Ruling on a Motion to Recuse	28
	HB 4481 – Civil Liability Arising from COVID-19	28

D.	Contractor Liability Limitations	28
	HB 3595 – Relating to Residential Construction Liability	28
E.	Court Reporters/Recording of Court Proceedings	29
	HB 228 – Use of an Electronic Recording Device to Report Court Proceedings	29
	HB 1737 – Reporting of Depositions by Court Reporters and the Deposition Transcripts	30
F.	Damages	31
	SB 207/HB 1617 – Recovery of Medical or Healthcare Expenses in Civil Actions	31
	HB 2925 – Affidavits Concerning Cost and Necessity of Services	33
G.	Healthcare Liability	33
	SB 1106 – Qualifications of Experts in Certain Health Care Liability Claims	33
	HB 501 – Liability Limits in a Health Care Liability Claim	34
H.	Insurance	34
	HB 359 – Recovery under Uninsured and Underinsured Motorist Insurance Coverage	34
	HB 1682 – Disclosure by Liability Insurers and Policyholders to Third Party Claimants	35
l.	Judiciary	36
	HB 1875 – Creation of a Business Court and a Court of Business Appeals	36
	HB 1876 – Annual Base Salaries of State Judges and Justices	37
	HB 3692 – Preparation of an Appellate Record in Civil and Criminal Appeals	37
	HB 4316 – Judicial Compensation for Marriage Ceremonies	38
	SB 11/HB 2613 – Composition of the Court of Appeals Districts	38
	SB 690/HB 3611 – Conducting Remote Proceedings	39
	SB 1506 – Supreme Court/CCA Rule, Practice, or Procedure	42
	SB 1529 – Creation of the Texas Court of Appeals	42

		J. Probate Proceedings	43
		SB 156 – Transfer of Probate Proceedings to County in Which Executor/Administrator of Estate Resides	43
	K.	Qualified Immunity	44
		HB 614 – Cause of Action for Deprivation of Certain Rights, Privileges, and Immunities under Color of Law	44
	L.	Redistricting	45
		HB 1025 – Creation of Texas Redistricting Commission	45
	M.	Separation of Powers	46
		SB 1025 – Authority of the Legislature, Governor, and Certain Political Subdivisions with Respect to Disasters and Emergencies	46
		SJR 29 – Executive Power Following Disaster or Emergency Declaration	47
		HJR 42 – Powers of the Governor and Legislature Regarding Emergency or Disaster Declarations	48
	N.	Social Media	49
		SB 12 – Censorship of User Expressions by an Interactive Computer Service	49
	Ο.	Texas Citizens Participation Act	50
		HB 4166 – Persons Considered to Exercise Certain Constitutional Rights for Purposes of a Motion to Dismiss under the TCPA	50
	P.	Texas Sovereignty Act	51
		HB 1215/HB 2930 – Texas Sovereignty Act	51
	Q.	Texas Tort Claims Act	53
		HB 1089 – Liability of Governmental Units under the Texas Tort Claims Act	53
IV.	Note		53

I. INTRODUCTION

The 87th Legislature ended its regular session on May 31, 2021. According to the Texas Legislative Reference Library, a total of 7,148 bills and resolutions were introduced during the session.¹ 1,525 bills and resolutions (1,073 bills; 8 resolutions) were passed and sent to Governor Abbott.² Of that total, one has been vetoed as of June 3rd.³ The remainder will either be signed by the Governor, allowed to become law, or vetoed.⁴

This paper summarizes legislative proposals that could have a noticeable impact on the practice of civil trial and appellate law in Texas. For more detailed information about each bill and additional background information about the same, please visit Texas Legislature Online at http://www.capitol.state.tx.us and/or subscribe to Jerry Bullard's e-newsletter by following the directions at the end of this article.

II. LEGISLATION THAT PASSED

A. Attorney's Fees

HB 1578 - Recovery of Attorney's Fees in Certain Civil Cases

- HB 1578, filed by Rep. Brooks Landgraf (R Odessa), amends section 38.001 of the Civil Practice & Remedies Code (CPRC) to include any type of organization as defined under the Business Organizations Code, but excludes "a quasi-governmental entity authorized to perform a function by state law, a religious organization, a charitable organization, or a charitable trust." [Note: Since 2014, Texas courts of appeals have consistently held that a trial court cannot order limited partnerships, limited liability companies, or limited liability partnerships to pay attorney's fees because section 38.001 of the CPRC does not permit such a recovery. See, e.g., CBIF Limited Partnership, et al. v. TGI Friday's, Inc., et al., No. 05-15-00157-CV, 2017 WL 1455407 (Tex. App.—Dallas April 21, 2017, pet. denied) (mem. op.); Alta Mesa Holdings, L.P. v. Ives, 488 S.W.3d 438 (Tex. App.—Houston [14th Dist.] 2016, pet. denied); Fleming & Associates, LLP v. Barton, 425 S.W.3d 560 (Tex. App.—Houston [14th Dist.] 2014, pet. denied). In response to these decisions, legislators filed bills in 2015, 2017, and 2019 to expand the scope of the statute to include all business organizations. However, the bills failed to pass.]
- Effective date: September 1, 2021. The changes in law made by HB 1578 apply only to an award of attorney's fees in an action commenced on or after the effective date.

¹ Legislative Reference Library of Texas, 87th Legislature Bill Statistics (June 3, 2021).

² <u>ld</u>.

³ Id.

⁴ As a general rule, the governor has ten (10) days upon receipt of a bill to sign it, veto it, or allow the bill to become law without a signature. However, if a bill is sent to the governor within ten (10) days of final adjournment, he has until twenty (20) days after adjournment to act on the bill. If the governor neither signs nor vetoes the bill within the allotted time, the bill becomes law. Texas Const. ART. IV, § 14.

HB 2416 – Recovery of Attorney's Fees as Compensatory Damages

- **Summary:** HB 2416, filed by Rep. Barbara Gervin-Hawkins (D San Antonio), adds section 38.0015 to the CPRC and allows a person to recover reasonable attorney's fees from an individual, corporation, or other entity from which recovery is permitted under section 38.001 of the CPRC as compensatory damages in breach of a construction contract cases. However, HB 2416 does not create or imply a private cause of action or independent basis to recover attorney's fees.
- Effective date: September 1, 2021. The changes in law addressed in HB 19 apply only to a cause of action that accrues on or after the effective date.

B. <u>Civil Liability/Causes of Action</u>

<u>HB 19 – Procedure, Evidence, and Remedies in Civil Actions Involving Motor Vehicle Accidents</u>

- **Summary:** HB 19, filed by Rep. Jeff Leach (R Plano), amends the CPRC to provide specific procedural and evidentiary guidelines for cases arising out of motor vehicle accidents, especially commercial motor vehicle accidents. The version of HB 19 voted out of a House committee addressed the following topics (among other things):
 - o Bifurcated trials: Much like the bifurcation process under section 41.009 of the CPRC, if requested by a defendant no later than the 120th day after the date the defendant bringing the motion files the defendant's original answer, HB 19 requires a bifurcated trial in commercial motor vehicle accident actions when a claimant seeks to recover exemplary damages. In the first phase of a bifurcated trial, the trier of fact will determine liability and the amount of compensatory damages. In the second phase, the trier of fact will determine liability for and the amount of exemplary damages.
 - Violation of regulatory standards: HB 19 provides that, in a civil action involving a commercial motor vehicle, a defendant's failure to comply with a regulation or standard is admissible into evidence in the first phase of a bifurcated trial only if, in addition to complying with other requirements of law: (1) the evidence tends to prove that failure to comply with the regulation or standard was a proximate cause of the bodily injury or death for which damages are sought; and (2) the regulation or standard is specific and governs, or is an element of a duty of care applicable to, the defendant, the defendant 's employee, or the defendant 's property or equipment when any of those is at issue in the action. However, nothing in HB 19 prevents a claimant from pursuing a claim for exemplary damages relating to the defendant's failure to comply with other applicable regulations or standards, or from presenting evidence on that claim in the second phase of a bifurcated trial.
 - Direct actions against an employer: Under HB 19, in a civil action involving a commercial motor vehicle, an employer defendant's liability for damages caused by the ordinary negligence of a person operating the defendant's commercial motor vehicle shall be based only on respondeat superior if the





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