

AN ACT

relating to the continuation and functions of the State Bar of Texas and to conflicts of interest with respect to certain persons engaged in the practice of law.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 81.003, Government Code, is amended to read as follows:

Sec. 81.003. SUNSET PROVISION. The state bar is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, this chapter expires September 1, 2015 [2003].

SECTION 2. Section 81.019(c), Government Code, is amended to read as follows:

(c) The election rules must permit any member's name to be printed on the ballot as a candidate for president-elect if a written petition requesting that action and signed by at least five percent of the membership of the state bar is filed with the executive director at least 30 days before the election ballots are to be distributed [mailed] to the membership.

SECTION 3. Sections 81.020(c) and (f), Government Code, are amended to read as follows:

(c) Elected members serve three-year terms. Nonattorney members serve staggered terms of the same length as terms of elected board members. The supreme court shall annually appoint two

1 nonattorney members, with at least one of the two from a list of at
2 least five names submitted by the governor. Appointments to the
3 board [~~In making the appointments the supreme court and the~~
4 ~~governor must attempt to ensure full and fair representation of the~~
5 ~~general public, including women, minorities, and retired persons~~
6 ~~who are at least 55 years of age. Each appointment] shall be made
7 without regard to the race, color, disability [~~creed~~], sex,
8 religion, age, or national origin of the appointees. A person who
9 has served more than half of a full term is not eligible for
10 reappointment to the board.~~

11 (f) The board of directors shall develop and implement
12 policies that clearly separate [~~define~~] the [~~respective~~]
13 responsibilities of the board and the management responsibilities
14 of the executive director and the staff of the state bar.

15 SECTION 4. Subchapter B, Chapter 81, Government Code, is
16 amended by adding Sections 81.0201 and 81.0215 to read as follows:

17 Sec. 81.0201. TRAINING PROGRAM FOR BOARD MEMBERS. (a) A
18 person who is elected or appointed to and qualifies for office as a
19 member of the board of directors may not vote, deliberate, or be
20 counted as a member in attendance at a meeting of the board until
21 the person completes a training program that complies with this
22 section.

23 (b) The training program must provide the person with
24 information regarding:

25 (1) the legislation that created the state bar and the
26 board;

27 (2) the programs operated by the state bar;

1 (3) the role and functions of the state bar;

2 (4) the rules of the state bar, with an emphasis on the
3 rules that relate to disciplinary and investigatory authority;

4 (5) the current budget for the state bar;

5 (6) the results of the most recent formal audit of the
6 state bar;

7 (7) the requirements of:

8 (A) the open meetings law, Chapter 551;

9 (B) the public information law, Chapter 552; and

10 (C) other laws relating to public officials,
11 including conflict-of-interest laws; and

12 (8) any applicable ethics policies adopted by the
13 state bar or the Texas Ethics Commission.

14 Sec. 81.0215. STRATEGIC PLAN. (a) The state bar shall
15 develop a comprehensive, long-range strategic plan for its
16 operations. Each even-numbered year, the state bar shall issue a
17 plan covering five fiscal years beginning with the next
18 odd-numbered fiscal year.

19 (b) The strategic plan must include measurable goals and a
20 system of performance measures that:

21 (1) relates directly to the identified goals; and

22 (2) focuses on the results and outcomes of state bar
23 operations and services.

24 (c) Each year, the state bar shall report the performance
25 measures included in the strategic plan under this section to the
26 supreme court and the editor of the Texas Bar Journal for
27 publication.

1 SECTION 5. Section 81.022, Government Code, is amended by
2 adding Subsections (a-1) and (e) to read as follows:

3 (a-1) In developing and approving the annual budget, the
4 state bar and supreme court shall:

5 (1) consider the goals and performance measures
6 identified in the strategic plan developed under Section 81.0215;
7 and

8 (2) identify additional goals and performance
9 measures as necessary.

10 (e) After implementing a budget approved by the supreme
11 court, the state bar shall report to the court regarding the state
12 bar's performance on the goals and performance measures identified
13 in the strategic plan developed under Section 81.0215. The state
14 bar shall:

15 (1) revise the goals and performance measures as
16 necessary; and

17 (2) notify the supreme court of the revisions.

18 SECTION 6. Sections 81.024(c) and (d), Government Code, are
19 amended to read as follows:

20 (c) When the supreme court has prepared and proposed rules
21 or amendments to rules under this section, the court shall
22 distribute [mail] a copy of each proposed rule or amendment in
23 ballot form to each registered member of the state bar for a vote.

24 (d) At the end of the 30-day period following the date the
25 ballots are distributed [mailed], the court shall count the
26 returned ballots. [~~An election is valid only if at least 51 percent~~
27 ~~of the registered members of the state bar vote in the election.~~]

1 SECTION 7. Subchapter B, Chapter 81, Government Code, is
2 amended by adding Sections 81.0241 and 81.0242 to read as follows:

3 Sec. 81.0241. ELECTRONIC TRANSMISSION OF ELECTION
4 MATERIALS. (a) The state bar may, with the approval of the supreme
5 court, distribute by electronic transmission ballots and related
6 materials and receive by electronic transmission completed ballots
7 in an election under this chapter.

8 (b) Before approving the distribution or receipt of ballots
9 and related materials by electronic transmission under this
10 section, the supreme court must be satisfied that the state bar has
11 implemented procedures that ensure each member of the state bar
12 will have secure access to election ballots and information.

13 Sec. 81.0242. PARTICIPATION IN ELECTIONS. The state bar,
14 in the manner provided by the supreme court, shall:

15 (1) promote and monitor participation of members of
16 the state bar in elections under this chapter; and

17 (2) report statistics regarding that participation to
18 the supreme court and the editor of the Texas Bar Journal for
19 publication.

20 SECTION 8. Section 81.026(a), Government Code, is amended
21 to read as follows:

22 (a) The board may create committees, subject to the
23 executive committee's approval under Subchapter I, and sections as
24 it considers advisable and necessary to carry out the purposes of
25 this chapter.

26 SECTION 9. Section 81.027(a), Government Code, is amended
27 to read as follows:

1 (a) The board of directors may remove a director from the
2 board at any regular meeting by resolution declaring the director's
3 position vacant. It is a ground for removal from the board that a
4 director [if]:

5 (1) does not have at the time of taking office the
6 applicable qualifications for office, if any;

7 (2) does not maintain during service on the board the
8 applicable qualifications for office, if any;

9 (3) is ineligible for membership under Section 81.028
10 or 81.031;

11 (4) cannot, because of illness or disability,
12 discharge the director's duties for a substantial part of the
13 director's term; or

14 (5) is absent from more than half of the regularly
15 scheduled board meetings that the director is eligible to attend
16 during a calendar year without an excuse approved by a majority vote
17 of the board [~~the director, in the board's determination, has~~
18 ~~become incapacitated and cannot perform his duties as a director,~~

19 [~~(2) the director has been absent, without cause~~
20 ~~considered adequate by the board, from any two consecutive regular~~
21 ~~meetings of the board or from a total of four meetings,~~

22 [~~(3) the director violates a prohibition established~~
23 ~~by Section 81.028, or~~

24 [~~(4) the director has violated the terms or provisions~~
25 ~~of Section 81.031].~~

26 SECTION 10. Section 81.028, Government Code, is amended to
27 read as follows:

1 Sec. 81.028. RELATIONSHIP WITH TRADE ASSOCIATION [~~EMPLOYEE~~
2 ~~OR CONSULTANT~~]. (a) In this section, "Texas trade association"
3 means a cooperative and voluntarily joined statewide association of
4 business or professional competitors in this state designed to
5 assist its members and its industry or profession in dealing with
6 mutual business or professional problems and in promoting their
7 common interest.

8 (b) A person may not be a member of the board of directors
9 and may not be a state bar employee employed in a "bona fide
10 executive, administrative, or professional capacity," as that
11 phrase is used for purposes of establishing an exemption to the
12 overtime provisions of the federal Fair Labor Standards Act of 1938
13 (29 U.S.C. Section 201 et seq.), and its subsequent amendments, if:

14 (1) the person is an officer, employee, or paid
15 consultant of a Texas trade association in the field of board
16 interest; or

17 (2) the person's spouse is an officer, manager, [A
18 ~~member of the board of directors or an employee of the board may not~~
19 ~~be an employee]~~ or paid consultant of a Texas trade association in
20 the field of board interest.

21 SECTION 11. Sections 81.029(j) and (k), Government Code,
22 are amended to read as follows:

23 (j) The executive director or the executive director's
24 designee shall prepare and maintain a written policy statement that
25 implements [~~to assure implementation of~~] a program of equal
26 employment opportunity to ensure that [~~under which~~] all personnel
27 decisions [~~transactions~~] are made without regard to race, color,

1 disability [~~handicap~~], sex, religion, age, or national origin. The
2 policy statement must include:

3 (1) personnel policies, including policies relating
4 to recruitment, evaluation, selection, [~~appointment,~~] training,
5 and promotion of personnel, that show the intent of the state bar to
6 avoid the unlawful employment practices described by Chapter 21,
7 Labor Code; and

8 (2) an [~~a comprehensive~~] analysis of the extent to
9 which the composition of the state bar's personnel is in accordance
10 with state and federal law and a description of reasonable methods
11 to achieve compliance with state and federal law [~~state bar work~~
12 ~~force that meets federal and state guidelines,~~

13 [~~(3) procedures by which a determination can be made~~
14 ~~of significant underuse in the state bar work force of all persons~~
15 ~~for whom federal or state guidelines encourage a more equitable~~
16 ~~balance, and~~

17 [~~(4) reasonable methods to appropriately address~~
18 ~~those areas of significant underuse].~~

19 (k) The [A] policy statement [~~prepared under Subsection~~
20 ~~(j)~~] must:

21 (1) [~~cover an annual period,~~] be updated [~~at least~~]
22 annually;

23 (2) be reviewed by the state Commission on Human
24 Rights for compliance with Subsection (j)(1); [7] and

25 (3) be filed with the supreme court and the governor's
26 office.

27 SECTION 12. Subchapter B, Chapter 81, Government Code, is

1 amended by adding Sections 81.035, 81.036, 81.037, and 81.038 to
2 read as follows:

3 Sec. 81.035. INFORMATION REGARDING REQUIREMENTS FOR OFFICE
4 OR EMPLOYMENT. The executive director or the executive director's
5 designee shall provide to members of the board of directors and to
6 agency employees, as often as necessary, information regarding the
7 requirements for office or employment under this chapter, including
8 information regarding a person's responsibilities under applicable
9 laws relating to standards of conduct for state officers or
10 employees.

11 Sec. 81.036. INFORMATION ON CERTAIN COMPLAINTS. (a) The
12 state bar shall maintain a file on each written complaint, other
13 than a grievance against an attorney, filed with the state bar. The
14 file must include:

- 15 (1) the name of the person who filed the complaint;
16 (2) the date the complaint is received by the state
17 bar;
18 (3) the subject matter of the complaint;
19 (4) the name of each person contacted in relation to
20 the complaint;
21 (5) a summary of the results of the review or
22 investigation of the complaint; and
23 (6) an explanation of the reason the file was closed,
24 if the state bar closed the file without taking action other than to
25 investigate the complaint.

26 (b) The state bar shall provide to the person filing the
27 complaint and to each person who is a subject of the complaint a

1 copy of the state bar's policies and procedures relating to
2 complaint investigation and resolution.

3 (c) The state bar, at least quarterly until final
4 disposition of the complaint, shall notify the person filing the
5 complaint and each person who is a subject of the complaint of the
6 status of the investigation unless the notice would jeopardize an
7 undercover investigation.

8 Sec. 81.037. STATE EMPLOYEE INCENTIVE PROGRAM. The
9 executive director or the executive director's designee shall
10 provide to state bar employees information and training on the
11 benefits and methods of participation in the state employee
12 incentive program under Subchapter B, Chapter 2108.

13 Sec. 81.038. USE OF TECHNOLOGY. The board of directors
14 shall develop and implement a policy requiring the executive
15 director and state bar employees to research and propose
16 appropriate technological solutions to improve the state bar's
17 ability to perform its functions. The technological solutions
18 must:

19 (1) ensure that the public is able to easily find
20 information about the state bar on the Internet;

21 (2) ensure that persons who want to use the state bar's
22 services are able to:

23 (A) interact with the state bar through the
24 Internet; and

25 (B) access any service that can be provided
26 effectively through the Internet; and

27 (3) be cost-effective and developed through the state

1 bar's planning processes.

2 SECTION 13. The heading to Section 81.054, Government Code,
3 is amended to read as follows:

4 Sec. 81.054. MEMBERSHIP FEES AND ADDITIONAL FEES.

5 SECTION 14. Section 81.054, Government Code, is amended by
6 amending Subsections (a), (c), and (d) and adding Subsections
7 (f)-(1) to read as follows:

8 (a) The supreme court shall set membership fees and other
9 fees for members of the state bar. The fees, except as provided by
10 Subsection (j) and [other than] those set for associate members,
11 must be set in accordance with this section and Section 81.024.

12 (c) Fees shall be paid to the clerk of the supreme court.
13 The clerk shall retain the fees, other than fees collected under
14 Subsection (j), until distributed to the state bar for expenditure
15 under the direction of the supreme court to administer this
16 chapter. The clerk shall retain the fees collected under
17 Subsection (j) until distribution is approved by an order of the
18 supreme court. In ordering that distribution, the supreme court
19 shall order that the fees collected under Subsection (j) be
20 remitted to the comptroller at least as frequently as quarterly.
21 The comptroller shall credit 50 percent of the remitted fees to the
22 credit of the judicial fund for programs approved by the supreme
23 court that provide basic civil legal services to the indigent and
24 shall credit the remaining 50 percent of the remitted fees to the
25 fair defense account in the general revenue fund which is
26 established under Section 71.058, to be used, subject to all
27 requirements of Section 71.062, for demonstration or pilot projects

1 that develop and promote best practices for the efficient delivery
2 of quality representation to indigent defendants in criminal cases
3 at trial, on appeal, and in postconviction proceedings.

4 (d) Fees collected under Subsection (j) may be used only to
5 provide basic civil legal services to the indigent and legal
6 representation and other defense services to indigent defendants in
7 criminal cases as provided by Subsection (c). Other fees collected
8 under this chapter may be used only for administering the public
9 purposes provided by this chapter.

10 (f) A person who is otherwise eligible to renew the person's
11 membership may renew the membership by paying the required
12 membership fees to the state bar on or before the due date.

13 (g) A person whose membership has been expired for 90 days
14 or less may renew the membership by paying to the state bar
15 membership fees equal to 1-1/2 times the normally required
16 membership fees.

17 (h) A person whose membership has been expired for more than
18 90 days but less than one year may renew the membership by paying to
19 the state bar membership fees equal to two times the normally
20 required membership fees.

21 (i) Not later than the 30th day before the date a person's
22 membership is scheduled to expire, the state bar shall send written
23 notice of the impending expiration to the person at the person's
24 last known address according to the records of the state bar.

25 (j) The supreme court shall set an additional legal services
26 fee in an amount of \$65 to be paid annually by each active member of
27 the state bar except as provided by Subsection (k). Section 81.024

1 does not apply to a fee set under this subsection. This subsection
2 expires on September 1, 2007.

3 (k) The legal services fee shall not be assessed on any
4 Texas attorney who:

5 (1) is 70 years of age or older;

6 (2) has assumed inactive status under the rules
7 governing the State Bar of Texas;

8 (3) is a sitting judge;

9 (4) is an employee of the state or federal government;

10 (5) is employed by a city, county, or district
11 attorney's office and who does not have a private practice that
12 accounts for more than 50 percent of the attorney's time;

13 (6) is employed by a 501(c)(3) nonprofit corporation
14 and is prohibited from the outside practice of law;

15 (7) is exempt from MCLE requirements because of
16 nonpracticing status; or

17 (8) resides out of state and does not practice law in
18 Texas.

19 (1) In this section, "indigent" has the meaning assigned by
20 Section 51.941.

21 SECTION 15. The heading to Section 81.072, Government Code,
22 is amended to read as follows:

23 Sec. 81.072. GENERAL DISCIPLINARY AND DISABILITY
24 PROCEDURES.

25 SECTION 16. Section 81.072, Government Code, is amended by
26 amending Subsections (a), (b), (e), (f), (h), and (o) and adding
27 Subsection (e-1) to read as follows:

1 (a) In furtherance of the supreme court's powers to
2 supervise the conduct of attorneys, the court shall establish
3 disciplinary and disability procedures in addition to the
4 procedures provided by this subchapter.

5 (b) The supreme court shall establish minimum standards and
6 procedures for the attorney disciplinary and disability system.
7 The standards and procedures for processing grievances
8 [~~complaints~~] against attorneys must provide for:

9 (1) classification of all grievances and
10 investigation of all [~~inquiries and~~] complaints;

11 (2) a full explanation to each complainant on
12 dismissal of an inquiry or a complaint;

13 (3) periodic preparation of abstracts of inquiries and
14 complaints filed that, even if true, do or do not constitute
15 misconduct;

16 (4) an information file for each grievance [~~complaint~~]
17 filed;

18 (5) a grievance [~~complaint~~] tracking system to monitor
19 processing of grievances [~~complaints~~] by category, method of
20 resolution, and length of time required for resolution;

21 (6) notice by the state bar to the parties of a written
22 grievance [~~complaint~~] filed with the state bar that the state bar
23 has the authority to resolve of the status of the grievance
24 [~~complaint~~], at least quarterly and until final disposition, unless
25 the notice would jeopardize an undercover investigation;

26 (7) an option for a trial in a district court on a
27 complaint and an administrative system for attorney disciplinary

1 and disability findings in lieu of [~~decisions as an option to~~]
2 trials in district court, including an appeal procedure to the
3 Board of Disciplinary Appeals and the supreme court under the
4 substantial evidence rule;

5 (8) an administrative system for reciprocal and
6 compulsory discipline;

7 (9) interim suspension of an attorney posing a threat
8 of immediate irreparable harm to a client;

9 (10) authorizing all parties to an attorney
10 disciplinary hearing, including the complainant, to be present at
11 all hearings at which testimony is taken and requiring notice of
12 those hearings to be given to the complainant not later than the
13 seventh day before the date of the hearing;

14 (11) the commission adopting rules that govern the use
15 of private reprimands by grievance committees and that prohibit a
16 committee:

17 (A) giving an attorney more than one private
18 reprimand within a five-year period for a violation of the same
19 disciplinary rule; or

20 (B) giving a private reprimand for a violation
21 that involves a failure to return an unearned fee, a theft, or a
22 misapplication of fiduciary property; and

23 (12) distribution of a voluntary survey to all
24 complainants urging views on grievance system experiences.

25 (e) The state bar shall establish a voluntary mediation and
26 dispute resolution procedure to:

27 (1) attempt to resolve each allegation [~~that may be~~

1 ~~used as a model for resolving allegations]~~ of attorney misconduct
2 that is:

3 (A) classified as an inquiry under Section
4 81.073(a)(2)(A) because it does [de] not constitute an offense
5 cognizable under the Texas Disciplinary Rules of Professional
6 Conduct; or

7 (B) classified as a complaint and subsequently
8 dismissed; and

9 (2) facilitate coordination with other programs
10 administered by the state bar to address and attempt to resolve
11 inquiries and complaints referred to the voluntary mediation and
12 dispute resolution procedure.

13 (e-1) All types of information, proceedings, hearing
14 transcripts, and statements presented during the voluntary
15 mediation and dispute resolution procedure established under
16 Subsection (e) are confidential to the same extent the information,
17 proceedings, transcripts, or statements would be confidential if
18 presented to a panel of a district grievance committee.

19 (f) Responses to the survey provided for in Subsection
20 (b)(12) may not identify either the complainant or attorney and
21 shall be open to the public. The topics must include:

22 (1) treatment by the grievance system staff and
23 volunteers;

24 (2) the fairness of grievance procedures;

25 (3) the length of time for grievance [~~complaint~~]
26 processing;

27 (4) disposition of the grievance [~~complaint~~]; and

1 (5) suggestions for improvement of the grievance
2 system.

3 (h) The state bar or a court may not require an attorney
4 against whom a disciplinary action has been brought to disclose
5 information protected by the attorney-client privilege if the
6 client did not initiate the grievance [~~complaint~~] that is the
7 subject of the action.

8 (o) Whenever a grievance is either dismissed as an inquiry
9 or dismissed as a complaint [~~after an investigatory hearing~~] in
10 accordance with the Texas Rules of Disciplinary Procedure and that
11 dismissal has become final, the respondent attorney may thereafter
12 deny that a grievance was pursued and [~~In any disciplinary action~~
13 ~~which is tried to verdict before an evidentiary panel or a district~~
14 ~~court and there is a take-nothing judgment entered which becomes~~
15 ~~final, the respondent attorney]~~ may file a motion with the tribunal
16 seeking expunction of all records [~~the tribunal's file~~] on the
17 matter, [~~In the event an expunction is granted, the evidentiary~~
18 ~~panel or district court shall order that all records be destroyed]~~
19 other than statistical or identifying information maintained by the
20 chief disciplinary counsel pertaining to the [~~any~~] grievance [~~which~~
21 ~~formed the basis of the disciplinary action and the respondent~~
22 ~~attorney may thereafter deny any grievance which formed the basis~~
23 ~~of the disciplinary action was filed]~~.

24 SECTION 17. Subchapter E, Chapter 81, Government Code, is
25 amended by adding Sections 81.073, 81.074, 81.075, 81.0751,
26 81.0752, and 81.0753 to read as follows:

27 Sec. 81.073. CLASSIFICATION OF GRIEVANCES. (a) The chief

1 disciplinary counsel's office shall classify each grievance on
2 receipt as:

3 (1) a complaint, if the grievance alleges conduct
4 that, if true, constitutes professional misconduct or disability
5 cognizable under the Texas Disciplinary Rules of Professional
6 Conduct; or

7 (2) an inquiry, if:

8 (A) the grievance alleges conduct that, even if
9 true, does not constitute professional misconduct or disability
10 cognizable under the Texas Disciplinary Rules of Professional
11 Conduct; or

12 (B) the respondent attorney is deceased, has
13 relinquished the attorney's license to practice law in this state
14 to avoid disciplinary action, or is not licensed to practice law in
15 this state.

16 (b) A complainant may appeal the classification of a
17 grievance as an inquiry to the Board of Disciplinary Appeals, or the
18 complainant may amend and resubmit the grievance. An attorney
19 against whom a grievance is filed may not appeal the classification
20 of the grievance.

21 Sec. 81.074. DISPOSITION OF INQUIRIES. The chief
22 disciplinary counsel shall:

23 (1) dismiss a grievance classified as an inquiry; and
24 (2) refer each inquiry classified under Section
25 81.073(a)(2)(A) and dismissed under this section to the voluntary
26 mediation and dispute resolution procedure established under
27 Section 81.072(e).

1 Sec. 81.075. DISPOSITION OF COMPLAINTS. (a) The chief
2 disciplinary counsel shall review and investigate each grievance
3 classified as a complaint to determine whether there is just cause,
4 as defined by the Texas Rules of Disciplinary Procedure.

5 (b) After the chief disciplinary counsel reviews and
6 investigates a complaint:

7 (1) if the counsel finds there is no just cause, the
8 counsel shall place the complaint on a dismissal docket; or

9 (2) if the counsel finds just cause:

10 (A) the respondent attorney may request a trial
11 in a district court on the complaint in accordance with the
12 procedures adopted by the supreme court; or

13 (B) the counsel shall place the complaint on a
14 hearing docket if the respondent attorney does not request a trial
15 in a district court.

16 (c) A panel of a district grievance committee shall consider
17 each complaint placed on the dismissal docket at a closed hearing
18 without the complainant or the respondent attorney present. The
19 panel may:

20 (1) approve the dismissal of the complaint and refer
21 the complaint to the voluntary mediation and dispute resolution
22 procedure established under Section 81.072(e); or

23 (2) deny the dismissal of the complaint and place the
24 complaint on a hearing docket.

25 (d) A panel of a district grievance committee shall conduct
26 a hearing on each complaint placed on the hearing docket. The
27 commission and the respondent attorney are parties to the hearing,

1 and the chief disciplinary counsel presents the complainant's case
2 at the hearing. Each party may seek and the panel may issue a
3 subpoena to compel attendance and production of records before the
4 panel. Each party may conduct limited discovery in general
5 accordance with the Texas Rules of Civil Procedure as prescribed by
6 rules of the supreme court.

7 (e) After conducting a hearing under Subsection (d), the
8 panel of the district grievance committee may:

9 (1) dismiss the complaint and refer it to the
10 voluntary mediation and dispute resolution procedure established
11 under Section 81.072(e);

12 (2) find that the respondent attorney suffers from a
13 disability and forward that finding to the Board of Disciplinary
14 Appeals for referral to a district disability committee; or

15 (3) find that professional misconduct occurred and
16 impose sanctions.

17 Sec. 81.0751. APPEALS. (a) The commission or a respondent
18 attorney may appeal:

19 (1) a finding of a panel of a district grievance
20 committee under Section 81.075(e) only to the Board of Disciplinary
21 Appeals;

22 (2) a finding of the Board of Disciplinary Appeals to
23 the supreme court; and

24 (3) a judgment of a district court as in civil cases
25 generally.

26 (b) In an appeal of a finding of a panel of a district
27 grievance committee made to the Board of Disciplinary Appeals, the

1 board may:

2 (1) affirm in whole or part the panel's finding;

3 (2) modify the panel's finding and affirm the finding
4 as modified;

5 (3) reverse in whole or part the panel's finding and
6 enter a finding the board determines the panel should have entered;
7 or

8 (4) reverse the panel's finding and remand the
9 complaint for a rehearing to be conducted by:

10 (A) the panel that entered the finding; or

11 (B) a statewide grievance committee panel
12 composed of members selected from the state bar districts other
13 than the district from which the appeal was taken.

14 Sec. 81.0752. CONFIDENTIALITY. (a) All types of
15 information, proceedings, hearing transcripts, and statements
16 presented to a panel of a district grievance committee are
17 confidential and may not be disclosed to any person other than the
18 chief disciplinary counsel unless:

19 (1) disclosure is ordered by a court; or

20 (2) the panel finds that professional misconduct
21 occurred and a sanction other than a private reprimand is imposed
22 against the respondent attorney.

23 (b) If the requirements of Subsection (a)(2) are met, the
24 panel of the district grievance committee shall, on request, make
25 the information, proceedings, hearing transcripts, or statements
26 available to the public.

27 Sec. 81.0753. RULES REGARDING GRIEVANCES. The supreme

1 court shall promulgate rules regarding the classification and
2 disposition of grievances, including rules specifying time limits
3 for each stage of the grievance resolution process.

4 SECTION 18. Section 81.079, Government Code, is amended to
5 read as follows:

6 Sec. 81.079. PUBLIC NOTIFICATION AND INFORMATION. (a) To
7 provide information to the public relating to the attorney
8 grievance process, the state bar shall:

9 (1) develop a brochure written in Spanish and English
10 describing the bar's grievance process;

11 (2) establish a toll-free "800" telephone number for
12 public access to the chief disciplinary counsel's office in Austin
13 and list the number in telephone directories statewide;

14 (3) describe the bar's grievance process in the bar's
15 telephone directory listings statewide; and

16 (4) make grievance [~~complaint~~] forms written in
17 Spanish and English available in each county courthouse.

18 (b) Each attorney practicing law in this state shall provide
19 notice to each of the attorney's clients of the existence of a
20 grievance process by:

21 (1) making grievance [~~complaint~~] brochures prepared
22 by the state bar available at the attorney's place of business;

23 (2) posting a sign prominently displayed in the
24 attorney's place of business describing the process;

25 (3) including the information on a written contract
26 for services with the client; or

27 (4) providing the information in a bill for services

1 to the client.

2 SECTION 19. Section 81.113, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The state bar shall recognize, prepare, or administer
5 continuing education programs for members of the state bar. A
6 member of the state bar must participate in the programs to the
7 extent required by the supreme court to maintain the person's state
8 bar membership.

9 SECTION 20. Chapter 81, Government Code, is amended by
10 adding Subchapter I to read as follows:

11 SUBCHAPTER I. EXECUTIVE COMMITTEE

12 Sec. 81.121. EXECUTIVE COMMITTEE. (a) The executive
13 committee consists of:

14 (1) the president, the president-elect, and the
15 immediate past president of the state bar;

16 (2) the chair of the board of directors;

17 (3) the president of the Texas Young Lawyers
18 Association; and

19 (4) additional members appointed by the president of
20 the state bar.

21 (b) The general counsel and executive director serve as ex
22 officio members of the committee.

23 (c) The president of the state bar serves as chair of the
24 committee. The chair of the board of directors serves as vice chair
25 of the committee and presides over committee meetings in the
26 committee chair's absence.

27 Sec. 81.122. DUTIES OF EXECUTIVE COMMITTEE. The executive

1 committee shall:

2 (1) on the recommendation of the president of the
3 state bar, approve the creation of additional standing and special
4 committees of the state bar in accordance with Section 81.123;

5 (2) conduct a comprehensive review of standing and
6 special committees of the state bar at least biennially and more
7 frequently as the executive committee determines necessary to
8 assess whether there is:

9 (A) a continued need for each committee; and

10 (B) unnecessary overlap of the committees'
11 activities; and

12 (3) perform other duties as delegated by the board of
13 directors.

14 Sec. 81.123. APPROVAL OF COMMITTEES. Before the executive
15 committee may approve the creation of an additional standing or
16 special committee of the state bar, the committee must:

17 (1) study and determine the fiscal impact creating the
18 committee would have on the state bar budget; and

19 (2) poll the chair of each existing committee and
20 conduct a review to determine whether the matter to be addressed by
21 the proposed committee could be addressed by an existing committee.

22 SECTION 21. Chapter 171, Local Government Code, is amended
23 by adding Section 171.010 to read as follows:

24 Sec. 171.010. PRACTICE OF LAW. (a) For purposes of this
25 chapter, a county judge or county commissioner engaged in the
26 private practice of law has a substantial interest in a business
27 entity if the official has entered a court appearance or signed

1 court pleadings in a matter relating to that business entity.

2 (b) A county judge or county commissioner who has a
3 substantial interest in a business entity as described by
4 Subsection (a) must comply with this chapter.

5 (c) A judge of a constitutional county court may not enter a
6 court appearance or sign court pleadings as an attorney in any
7 matter before:

8 (1) the court over which the judge presides; or

9 (2) any court in this state over which the judge's
10 court exercises appellate jurisdiction.

11 (d) Upon compliance with this chapter, a county judge or
12 commissioner may practice law in the courts located in the county
13 where the county judge or commissioner serves.

14 SECTION 22. Sections 81.020(e) and 81.029(1), Government
15 Code, are repealed.

16 SECTION 23. Not later than January 1, 2004, the executive
17 director of the State Bar of Texas or the executive director's
18 designee shall prepare the written policy statement required by
19 Section 81.029, Government Code, as amended by this Act.

20 SECTION 24. Not later than January 1, 2004, the supreme
21 court shall adopt the rules and procedures required by Section
22 81.072, Government Code, as amended by this Act, and Section
23 81.0753, Government Code, as added by this Act.

24 SECTION 25. (a) The changes in law made by this Act in the
25 prohibitions or qualifications applying to members of the board of
26 directors of the State Bar of Texas do not affect the entitlement of
27 a member serving on the board immediately before September 1, 2003,

1 to continue to serve and function as a member of the board for the
2 remainder of the member's term. Those changes in law apply only to
3 a member elected or appointed on or after September 1, 2003.

4 (b) Section 81.036, Government Code, as added by this Act,
5 applies only to a complaint filed with the State Bar of Texas on or
6 after the effective date of this Act, regardless of whether the
7 conduct or act that is the subject of the complaint occurred or was
8 committed before, on, or after the effective date of this Act.

9 (c) Section 81.054, Government Code, as amended by this Act,
10 applies to membership fees for renewal of a membership in the State
11 Bar of Texas that become due on or after the effective date of this
12 Act. Membership fees for renewal of a membership that became due
13 before the effective date of this Act are governed by the law in
14 effect on the date the membership fees became due, and the former
15 law is continued in effect for that purpose.

16 (d) Section 81.072, Government Code, as amended by this Act,
17 and Sections 81.073, 81.074, 81.075, 81.0751, 81.0752, and 81.0753,
18 Government Code, as added by this Act, apply to a grievance filed on
19 or after January 1, 2004, regardless of whether the conduct or act
20 that is the subject of the grievance occurred before, on, or after
21 that date. A grievance filed before January 1, 2004, is governed by
22 the law in effect immediately before the effective date of this Act,
23 and the former law is continued in effect for that purpose.

24 SECTION 26. This Act takes effect September 1, 2003.

David Bushmunt

President of the Senate

Jim Cusick

Speaker of the House

I certify that H.B. No. 599 was passed by the House on May 6, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 599 on May 30, 2003, by a non-record vote.

Ralph Kinney

Chief Clerk of the House

I certify that H.B. No. 599 was passed by the Senate, with amendments, on May 28, 2003, by a viva-voce vote.

Astray Saw

Secretary of the Senate

APPROVED: 18 JUNE '03

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:30pm O'CLOCK

JUN 18 2003
Ann Shea
Secretary of State