



1995 ASSEMBLY BILL 157

February 24, 1995 - Introduced by Representatives GROBSCHMIDT, CARPENTER, OWENS, L. YOUNG, GOETSCH, BOYLE, MUSSER, RYBA and NOTESTEIN, cosponsored by Senator PLEWA. Referred to Committee on Judiciary.

1 **AN ACT to create** 757.294 of the statutes; **relating to:** requiring attorneys to
2 notify clients of the expenses that will be charged against the client, settlement
3 or judgment.

Analysis by the Legislative Reference Bureau

This bill requires an attorney in private practice to send a monthly statement to each client whom the attorney represents listing all of the expenses incurred by the attorney during that month that are the responsibility of the client or that will be charged against any settlement or judgment made on behalf of the client. Failure to do so results in the attorney not being able to charge or collect an expense not listed in a monthly statement. Current supreme court rules require an attorney to communicate to a client the basis or rate of the attorney's fee. The rules also require an attorney to keep a client reasonably informed of the status of a client's litigation and explain matters to a client to the extent necessary for the client to make an informed decision regarding the attorney's representation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 757.294 of the statutes is created to read:
5 **757.294 Information to clients regarding expenses.** (1) Every attorney
6 licensed to practice in this state who is in the private practice of law shall provide a
7 monthly statement to each client whom the attorney represents within 20 days after
8 the month ends if the attorney incurs or pays expenses on behalf of the client during

1 the month. The monthly statement shall list all of the expenses incurred or paid by
2 the attorney during that month that are the responsibility of the client or that will
3 be charged against any settlement or judgment made on behalf of the client. The
4 monthly statement shall include a separate listing of each of the following:

5 (a) Fees for professional services related to the representation of the client,
6 including fees for physician and other health care provider services.

7 (b) Costs related to commencing and maintaining any litigation, including the
8 costs for the service of documents, for the filing of an action and for activities related
9 to discovery.

10 (c) Costs of services provided by the attorney's law firm, including costs of
11 copying documents, clerical and support staff costs and investigation costs.

12 (d) Fees of the attorney representing the client and of any other attorney in the
13 attorney's law firm that provided legal services on behalf of the client.

14 (e) Any other disbursements that are related to representation of the client.

15 (2) An attorney may not charge against a settlement or judgment or collect
16 from a client any expense that the attorney fails to include in a monthly statement
17 as required under sub. (1).

18 **SECTION 2. Initial applicability.**

19 (1) This act first applies to expenses incurred by attorneys on the effective date
20 of this subsection.

21 **SECTION 3. Effective date.**

22 (1) This act takes effect on first day of the 4th month beginning after
23 publication.

24 (END)