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## **Governor Perry Signs Landmark "Loser Pays" Lawsuit Reform**

Conservative Legislators applaud Governor for leadership.

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HOUSTON, TX – Today, conservative state legislators who championed and helped pass the "loser pays" lawsuit reform bill, House Bill 274, applauded Governor Rick Perry for pressing for the critical civil justice lawsuit reform measure that will continue Texas' strong economic performance by limiting frivolous and abusive lawsuits.

State Representative Brandon Creighton (R-Conroe), who was the author of House Bill 274, stated: "The cottage industry of abusive litigation is counter-productive, costly, and fundamentally unjust. This new law is critically important to help protect innocent businesses and individuals from abusive lawsuits so they can spend their capital on productive purposes, such as creating jobs, rather than defending themselves in the courtroom."

The "loser pays" lawsuit reform bill provides that, if a judge dismisses a lawsuit as meritless, then the court may award to the prevailing party "equitable and just" attorneys' fees and court costs. Governor Rick Perry first proposed "loser pays" reforms in 2010, before the 82nd Texas Legislature commenced. The Governor later made the issue a top legislative priority by declaring it an "emergency item."

In December of 2010, *The Wall Street Journal* opined:

This Texas upgrade would build on reforms in 2003 and 2005 that have vastly improved the legal climate in what has not coincidentally become the country's best state for job creation...

Before the [2003 & 2005] reform, Texas was a kind of holy place on the tort bar pilgrimage. Now it's a Mecca for doctors, especially the emergency physicians, obstetricians and surgical specialists who elsewhere can face blue-sky malpractice premiums.

State Senator Joan Huffman (R-Houston), the Senate sponsor of HB 274 and a Director of TCCRI, stated: "Texas remains a national leader of tort reform with the signing of HB 274. The legislation curtails the frivolous lawsuits that can harm individuals and small businesses and

fosters a more efficient and accessible court system for all parties.” Sen. Huffman continued: “I was pleased to sponsor the bill in the Senate and thank my colleagues for supporting these important improvements to our legal climate.”

State Senator Dan Patrick (R-Houston), a TCCRI Director, stated: "Today's bill signing sends a clear message to those who seek monetary gain at others' expense by filing frivolous lawsuits: Texas will not allow our civil justice to be abused so that a select few can profit by dragging innocent parties to court."

State Representative Larry Taylor (R-Friendswood), also a TCCRI Director, stated: "Texas' 'loser pays' law is about restoring basic fairness to civil justice. With these 'loser pays reforms' in place, individuals and employers will no longer be forced to bear the significant costs of defending themselves against frivolous or groundless suits. We thank Governor Perry for his leadership on this important issue."

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