

A bill for an act

relating to civil actions; providing a factor for determining the amount of attorney fees awarded in certain actions; proposing coding for new law in Minnesota Statutes, chapter 549.

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

Section 1. **[549.255] ATTORNEY FEES AWARDS.**

Subdivision 1. **Reasonable relation of fees to damages.** When a statute provides for the award of attorney fees to a party that has recovered money damages, the court, in setting the amount of attorney fees, must, in addition to other factors, take into consideration the reasonableness of the attorney fees sought in relation to the amount of damages awarded to the prevailing party.

Subd. 2. **Offer of judgment.** If an offer of judgment is made by a party under Rule 68 of the Rules of Civil Procedure to a party who claims money damages pursuant, in whole or in part, to a statute that provides for the award of attorney fees, and the party claiming attorney fees does not obtain a verdict in excess of the offer, exclusive of attorney fees, no attorney fees may be awarded for fees incurred after service of the offer of judgment. The party that rejects an offer of judgment must disclose the attorney fees it has incurred as of the date of the service of the offer of judgment within the time period provided by Rule 68 for the acceptance of an offer of judgment.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective August 1, 2011, and applies to actions commenced on or after that date.