

**ACT 136**

S.B. NO. 1489

A Bill for an Act Relating to Attorney's Liens.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 507-81, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) An attorney has a lien upon:

(1) Actions, suits, and proceedings after commencement of the action[;]  
or arbitration proceeding;

- (2) Judgments, decrees, orders, settlements, and awards entered by the court or an arbitrator in favor of the client; and
- (3) Any proceeds paid in satisfaction of the judgment, decree, order, settlement, or award.”

2. By amending subsection (d) to read:

“(d) When the attorney’s lien attaches to a judgment, decree, order, settlement, or [decree] award allowing or enforcing a client’s lien, the attorney’s lien has the same priority as the client’s lien with regard to personal or real property subject to the client’s lien.”

3. By amending subsection (f) to read:

“(f) To be enforceable under this section, a notice of claim of the attorney’s lien shall be filed[:

- (1) ~~Before the complaint is dismissed by stipulation;~~
- (2) ~~Before the complaint is dismissed by order of the court; or~~
- (3) ~~Not later than one year after entry of final judgment is filed and disposition of any appeal thereof.]~~ with the court or arbitrator, as the case may be.”

4. By amending subsections (h) and (i) to read:

“(h) Except as provided by subsections (i) and (j), a party to the action, suit, or proceeding or any other person shall not have the right to discharge or dismiss any judgment, decree, order, settlement, or award entered in the action, suit, or proceeding until the lien and claim of the attorney for fees based thereon is satisfied in full.

(i) A ~~[judgment debtor]~~ party may pay the full amount of a judgment ~~[or], decree, order, settlement, or award~~ into court, and the clerk of the court shall thereupon fully satisfy the judgment ~~[or], decree, order, settlement, or award~~ on the record, and the ~~[judgment debtor]~~ party shall be thereby released from any further claims thereunder.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 20, 2011.)