

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 327 (Third Edition)

SHORT TITLE: NC State Bar Changes/Fees.

SPONSOR(S): Senator Rand

	FISCAL IMPACT				
	Yes ()	No ()	No Estimate Available (X)		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:					
General Fund					
State Bar					
District bars					
POSITIONS					
(cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	North Carolina State Bar, district bars				
EFFECTIVE DATE:	When law.				

BILL SUMMARY: Senate Bill 327 would authorize the imposition of a \$15 late fee for district bar dues and would increase from \$100 to \$125 the fee for out-of-state attorneys practicing in NC. It would also give explicit authority to the State Bar to impose several other charges that it now collects under the assumption its general authority empowers it to collect. The PCS to version 2 changed the effective date from July 1, 2005 to when it becomes law, but did not change the fiscal impact.

ASSUMPTIONS AND METHODOLOGY: Out of State Attorneys. The State Bar does not currently regulate out-of-state attorneys practicing in North Carolina. The \$25 fee increase in Section 1 of Senate Bill 327 is intended to defray the administrative cost of regulating the practice of out-of-state attorneys. Because the exact number of out-of-state attorneys practicing in North Carolina is not known, a revenue estimate cannot be made at this time. This fee increase does not affect the amount of funding for the General Court of Justice administered by the State Treasurer.

Late Fees for District Bar Dues. There are 39 district bars in North Carolina, none of which assess late fees for nonpayment of dues at the present time. This change would allow the district bars to assess a late fee at their individual discretion. The State Bar expects that only the larger district bars may pursue this option. Because the exact number of district bars that will choose to assess late fees is unknown, an estimate is unavailable.

Costs for Disciplinary Hearing Commission. An estimate for this change is unavailable since the number of future cases to which this change would apply is unknown and the taxable costs may vary from case to case.

Other fees. Senate Bill 327 adds a number of fees currently collected by the State Bar to statute. All the following fees have been approved by order of the Supreme Court. None constitute a new source of revenue for the State Bar.

Section 6. Prepaid legal service plan providers currently pay the State Bar an annual \$100 registration fee. There are currently 54 registered providers in North Carolina. The State Bar intends to assess a \$100 initial registration fee to these providers and an annual \$100 renewal, which will have no positive or negative effect on overall State Bar revenue.

Section 7. The fees listed in this section are currently assessed by the State Bar at the amounts shown below. Since they are currently in use, none constitute a new source of State Bar revenue.

Section 7 fees	
Reinstatement fee for attorneys seeking reinstatement from inactive status, administrative suspension, or suspension for failure to comply with annual CLE requirements.	\$125
Registration & annual renewal for interstate or international law firm	\$500
Attendance fee for CLE program (may include fee to support Chief Justice's Commission on Professionalism)	\$2.50 per credit hour
Late fee for filing CLE report, failure to pay attendance fees, or failure to complete annual CLEs	\$75
Administrative fee for attorneys against whom discipline has been imposed	\$50

SOURCES OF DATA: North Carolina State Bar

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Brenna Erford and Rodney Bizzell

APPROVED BY: James D. Johnson, Director
Fiscal Research Division

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