

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 763\*  
Judiciary I Committee Substitute Adopted 5/11/09  
Third Edition Engrossed 5/12/09  
House Committee Substitute Favorable 5/26/09

Short Title: Legal Services Clarification.

(Public)

Sponsors:

Referred to:

March 24, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THE AUTHORIZATION FOR CERTAIN NONPROFIT  
3 CORPORATIONS TO RENDER LEGAL SERVICES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 84-5.1 reads as rewritten:

6 "§ 84-5.1. Rendering of ~~indigent~~ legal services by certain nonprofit corporations.

7 (a) Subject to the rules and regulations of the North Carolina State Bar, as approved by  
8 the Supreme Court of North Carolina, a nonprofit corporation, tax exempt under  
9 26 U.S.C. § 501(c)(3), organized or authorized under Chapter 55A of the General Statutes of  
10 North Carolina and operating as a public interest law firm as defined by the applicable Internal  
11 Revenue Service guidelines or for the sole primary purpose of rendering indigent legal  
12 services, may render such services through provided by attorneys duly licensed to practice law  
13 in North Carolina, for the purposes for which the nonprofit corporation was  
14 organized. The nonprofit corporation must have a governing structure that does not permit an  
15 individual or group of individuals other than an attorney duly licensed to practice law in North  
16 Carolina to control the manner or course of the legal services rendered and must continually  
17 satisfy the criteria established by the Internal Revenue Service for 26 U.S.C. § 501(c)(3) status,  
18 whether or not any action has been taken to revoke that status.

19 (b) In no instance may legal services rendered by a nonprofit corporation under  
20 subsection (a) of this section be conditioned upon the purchase or payment for any product,  
21 good, or service other than the legal service rendered."

22 SECTION 2. This act is effective when it becomes law.

