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BILL



ANALYSIS

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Senate Bill 742 (as introduced 2-14-16)
Sponsor: Senator Tom Casperson
Committee: Judiciary

Date Completed: 2-23-16

CONTENT

The bill would amend the Revised Judicature Act to do the following regarding admission to the State Bar of Michigan:

- **Authorize the Supreme Court to establish reasonable fees to be paid by an applicant for admission and delete the current statutory fee schedule and limited authority of the Supreme Court to increase those fees.**
- **Allow a person who was licensed to practice law in another U.S. state or territory or the District of Columbia to apply for examination for admission without meeting certain educational requirements.**
- **Create a rebuttable presumption that a person licensed to practice out of State had sufficient legal education to practice law in Michigan if he or she had passed the out-of-State bar exam.**

Fees

The Act contains a schedule of fees that must be paid by each applicant for admission to the State Bar and authorizes the Supreme Court to increase some of those fees up to certain amounts. Table 1 shows the statutory fees, the amount to which the Court may increase the fees, and the fees currently charged.

Table 1
State Bar Admission Fees

Purpose	Statutory Fee	Maximum Court Increase	Current Fee
Examination	\$300	\$400	\$340 ^a
Re-examination or Recertification	\$200	\$300	\$240 ^a
Admission without Exam	\$600	\$800	\$600 ^b
Late Filing of Application or Transfer of Application	\$100	N/A	N/A

^a According to the "Michigan Bar Exam Application Instructions and Information".
^b According to the Board of Law Examiners' "Application for Admission without Examination".

The bill would delete the fee schedule and the limit on the Supreme Court's increase of those fees. Instead, the bill would allow the Supreme Court, by administrative order or rule, to establish reasonable fees to be paid by an applicant for admission to the bar.

The fees would continue to be paid to the Board of Law Examiners, which must deposit fee revenue in the General Fund for the restricted purpose of Supreme Court expenditures related to the administration of the Board.

Educational Requirements

The Act specifies minimum educational requirements that an applicant for admission to the State Bar must have completed successfully before beginning his or her legal education. The Act also requires each applicant for examination for admission to the State Bar to be a graduate from a reputable and qualified law school in Michigan, another U.S. state or territory, or the District of Columbia. Under the bill, those requirements would apply except as provided in Section 945, which the bill would add to the Act.

Under Section 945, an individual who was duly licensed to practice law in the court of last resort of any other state or U.S. territory or the District of Columbia could apply for examination in Michigan without meeting the education requirements described above if he or she proved all of the following to the satisfaction of the Board of Law Examiners:

- He or she had not been suspended or discharged from the bar of another state or territory or the District of Columbia or from the bar of any U.S. Federal court.
- He or she was a person of good moral character, as defined in Public Act 381 of 1974.
- He or she was at least 18 years of age.
- He or she had the current fitness and ability to enable him or her to practice law in Michigan courts.
- He or she had sufficient general education and learning in the law to enable him or her to practice law in Michigan courts.

In determining whether the last condition was met, the Board of Law Examiners would have to apply a rebuttable presumption that a person who had successfully passed the bar exam in another state or territory or the District of Columbia had sufficient general education and learning in the law to enable him or her to practice law in Michigan courts.

(Under Public Act 381 of 1974, the phrase "good moral character", when used as a requirement for an occupational or professional license, means the propensity on the part of the person to serve the public in the licensed area in a fair, honest, and open manner.)

MCL 600.931 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill could have a positive fiscal impact on the State and would have no fiscal impact on local government. According to the State Court Administrative Office, the current law exam fees are insufficient to cover the cost of administering the bar exam. Any costs not covered by law exam fees are paid from the General Fund. In December 2015, the Michigan Supreme Court published for comment an Administrative Order proposing to increase the fees for an application for examination, reexamination, recertification, and admission without examination to their statutory maximums. The Court is taking comments on the proposal until April 1, 2016. If the increased fees are approved, the first bar exam to which they may apply is the exam held in February 2017. (For the July 2016 bar exam, the timely submission deadline is March 1, and the late submission deadline is May 15.)

Due to decreasing enrollment for the bar exam, however, the increased fees may not be enough to fully offset the costs of administration, which are largely fixed. To the extent that the bill would allow the Supreme Court to increase fees to pay for exam administration, General Fund expenditures could be reduced. Because any increases would require Supreme Court action, the bill would have no fiscal impact unless and until the Supreme Court increased fees in the future.

Fiscal Analyst: Ryan Bergan

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.