

FEE BILL CLEARS JUDICIARY COMMITTEE

The Assembly Judiciary Committee Tuesday passed the State Bar's fee bill, which would authorize dues for the next two years. As amended on May 2, 2005, the bill, [AB 1529](#) (Jones), would increase total dues for active members from the current level of \$390 to \$395 in 2006 and \$400 in 2007. Fees for inactive members would increase from \$50 to \$115 in 2006 and \$125 in 2007 under the bill.

AB 1529 is co-authored by Judiciary Committee Vice-Chair [Tom Harman](#) (R-Huntington Beach), Senate President pro Tempore [Don Perata](#) (D-Oakland) and Senate Judiciary Committee Chair [Joe Dunn](#) (D-Santa Ana). In acknowledging the need to increase dues for active members, Assembly Member [Dave Jones](#) (D-Sacramento), the bill's author, pointed out that inactive fees had not been increased in nearly two decades.



Jones

The bill also simplifies "scaling" provisions such that any member making less than \$40,000 from any source may reduce their dues by 25 percent. Included in the increase for active members is a \$5 increase in the assessment for the Client Security Fund, returning that fee to the \$40 level it was at in 2001.

During the hearing, Bar president John Van de Kamp indicated that the "modest dues increase" contained in the bill "will enable the Bar to continue at the same staffing ratio and just get us through the next two years."

The bill cleared the committee on a vote of 7-2 and will next go the Assembly Floor.

TAX ON ATTORNEY SERVICES BILL ON HOLD – BUT CONCEPT VERY MUCH ALIVE

[AB 9](#), the bill to impose sales taxes on specified services, including legal services, to fund education was sidelined in the Assembly Revenue and Taxation Committee last week and may be dead for the year.



Perata

However, the concept of extending the sales tax to services was endorsed by Senate President pro Tem [Don Perata](#) (D-Oakland), according to news reports, making it quite possible that the proposal will reemerge as part of other legislation during Budget negotiations.

Authored by Assembly Member [Joe Coto](#) (D-San Jose), AB 9 would extend the 7.5% state sales tax to a list of "specialized services," including the furnishing or provision of legal, architectural, engineering, accounting, technical consulting, telephone, marina, and a host of other services. Funds generated from the tax would be earmarked for education.

The State Bar's Board of Governors has taken a position in opposition to the extension of the sales tax to legal services in AB 9, out of concern over the potentially severe negative impact such a tax would have on the availability of legal services to Californians. The Board is also concerned that such a tax would discourage the provision of *pro bono* legal services by law firms and increase the already-heavy burden on the courts by forcing individuals to rely more heavily on self-representation.



Coto

Although AB 9 still could be resurrected this year with a rule waiver, such an event is unlikely. It is far more probable that a proposal to tax legal and other services may be amended into other pending legislation as part of a Budget package.

DEADLINES UPCOMING

- [Friday, May 20](#) – Last day for policy committees to meet prior to June 6.
- [Friday, May 27](#) – Last day for Fiscal Committees to hear and report to the Floor bills introduced in their house.
- [Friday, June 3](#) -- Last day for bills to be passed out of the house of origin.
- [Monday, June 6](#) -- Committee meetings may resume.
- [Wednesday, June 15](#) -- Budget must be passed by midnight.
- [Friday, July 8](#) -- Last day for policy committees to meet and report bills.
- [Friday, July 15](#) -- Summer Recess begins at the end of this day's session if Budget Bill has been enacted.
- [Monday, August 15](#) -- Legislature reconvenes.
- [Friday, August 26](#) -- Last day for Fiscal Committees to meet and report bills to Floor.
- [Friday, September 2](#) -- Last day to amend bills on the Floor.
- [Friday, September 9](#) -- Last day for each house to pass bills.