

**NOVEMBER** 142  
2008 Fees for Inactive Membership  
and for MCLE Noncompliance and  
Reinstatement from MCLE Inactive  
Enrollment

**DATE:** October 12, 2007

**TO:** Members of the Board Committee on Planning, Program Development and Budget;  
Members of the Board of Governors

**FROM:** Peggy Van Horn, Chief Financial Officer  
Ray Farrish, Finance Manager, Member Billing

**SUBJECT:** 2008 Fees for Inactive Membership and for MCLE Noncompliance and  
Reinstatement from MCLE Inactive Enrollment

**Executive Summary**

At your July meeting, the Board of Governors approved the annual membership fees, the amount of penalties for delinquent membership fees, and other fees and charges for 2008. These fees and charges appear in the State Bar's Schedule of Charges and Deadlines.

This agenda item recommends approval of revised inactive membership fees and of MCLE noncompliance fees and reinstatement fees for 2008. The approved fee amounts will be included in the State Bar's Schedule of Charges and Deadlines (attached).

Questions about this item should be directed to Ray Farrish (415) 538-2157 or [raymond.farrish@calbar.ca.gov](mailto:raymond.farrish@calbar.ca.gov).

**DISCUSSION**

At the July 2007 meeting the Board set membership fees and penalties for 2008 annual membership; new admittees; scaling; transfers between active and inactive status; and reinstatement to terminate a suspension for nonpayment of fees.

This agenda item asks that the Board set inactive membership fees for 2008 at \$115. Existing law authorizes the collection of annual State Bar membership fees in an amount established by the Legislature as set forth in the State Bar Act. (Bus. & Prof. Code § 6140 et seq.) At your July meeting, the Board of Governors set the annual membership fees for inactive members at \$125 for 2008, subject to enactment of SB 686 and the amounts authorized therein. On October 11, 2007, SB 686 was signed by the Governor with a provision that repeals Business and Professions Code section 6140.3's building fund

contribution of \$10 from inactive as well as active members, and adds a new section 6140.35 authorizing active members to contribute \$10 for the Bar's information technology system. However, section 6140.35 does not authorize contributions to the information technology system from inactive members. The net effect is that SB 686 authorizes inactive membership fees for 2008 in the amount of \$115 instead of \$125.

At the same July 2007 meeting, the Board adopted new MCLE rules to be effective January 1, 2008. Rule 2.71 of the new MCLE rules pertains to member compliance periods and states, "... Fees for noncompliance are set forth in the Schedule of Charges and Deadlines." Accordingly, it would be appropriate to approve fees for MCLE noncompliance and for reinstatement to terminate MCLE inactive enrollment, and to include these fees in the Schedule of Charges and Deadlines. The amount recommended for the MCLE noncompliance fee is \$75. The amount recommended for the reinstatement fee is \$200. These fee amounts are unchanged from prior years. The only change is the reference in the new MCLE rule to placing the fees in the Schedule of Charges and Deadlines. Changes to the Schedule of Charges and Deadlines are shown in bold at Attachment 1.

### **FISCAL IMPACT**

No known impact.

### **BOARD BOOK/ADMINISTRATIVE MANUAL**

This item has no impact on the Board Book/Administrative Manual.

### **STATE BAR RULES IMPACT**

None known.

### **RESOLUTIONS**

If the Board Committee on Planning, Program Development and Budget concurs with staff's recommendation, the following resolutions are suggested:

**RESOLVED** that the Board Committee on Planning, Program Development and Budget hereby recommends that the Board of Governors set the annual membership fee for inactive members at \$115 for 2008; and it is

**FURTHER RESOLVED** that the MCLE noncompliance fee be set at \$75 and the reinstatement fee to terminate MCLE inactive enrollment be set at \$200 for 2008.

Should the Board of Governors concur with the recommendation of the Board Committee on Planning, Program Development and Budget, it would be appropriate to adopt the following resolution:

**RESOLVED** that upon recommendation of the Board Committee on Planning, Program Development and Budget, the Board of Governors hereby sets the annual membership fee for inactive members at \$115 for 2008; and it is

**FURTHER RESOLVED** that the MCLE noncompliance fee be set at \$75 and the reinstatement fee to terminate MCLE inactive enrollment be set at \$200 for 2008.