

2003 SESSION

INTRODUCED

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HOUSE BILL NO. 1515

Offered January 8, 2003

Prefiled December 19, 2002

A BILL to amend and reenact §§ 54.1-3915.1 and 54.1-3916 of the Code of Virginia, relating to rules of the Supreme Court regarding client accounts and legal aid societies.

Patrons—Albo and Dudley

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-3915.1 and 54.1-3916 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-3915.1. Rules regarding client accounts.

The Supreme Court shall not promulgate any disciplinary rules, rule or regulation requiring that attorneys or law firms deposit client funds in interest-bearing accounts, pooled or otherwise, on which the interest is required to be paid to any person or entity other than the client. Any disciplinary rule, rule or regulation previously promulgated which is inconsistent with this section is void and of no effect. *However, the Court shall allow attorneys or law firms to designate a charity or charities exempt from taxation under 26 U.S.C. § 501 (c) (3) to which such interest or dividends shall be paid according to the same procedures and requirements established for the transmission of interest or dividends to the Legal Services Corporation of Virginia.*

§ 54.1-3916. Legal aid societies.

A. The Virginia State Bar through its governing body is authorized to promulgate rules and regulations governing the function and operation of legal aid societies to further the objective of providing legal assistance to persons requiring such assistance but unable to pay for it. To the extent that interest is paid by a financial institution on client funds deposited by attorneys or law firms in pooled interest bearing accounts established and maintained under circumstances which do not conflict with § 54.1-3915.1, any interest earned on such accounts *that has not been designated to a charity or charities under § 54.1-3915.1* shall be paid by the financial institution periodically, but at least quarterly, to the Legal Services Corporation of Virginia.

B. The rules and regulations adopted under subsection A may be enforced by the Virginia State Bar, or by the Attorney General if so authorized by the Virginia State Bar.

C. It shall be a Class 1 misdemeanor for any person, firm, corporation or other organization to render legal services as a legal aid society, or for any attorney to render legal services at the instance or request of any such person, firm, corporation or organization unless the person, firm, corporation or organization complies with the rules and regulations adopted under subsection A hereof. In addition to the criminal penalty, an injunction shall lie to prevent any violation of this section or rule or regulation adopted hereunder.

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