

# 1995 SESSION

INTRODUCED

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## HOUSE JOINT RESOLUTION NO. 507

Offered January 20, 1995

*Requesting the Virginia Bankers Association, the Virginia State Bar, the Virginia Law Foundation, and the Legal Services Corporation of Virginia to study mandatory IOLTA.*

Patrons—Cranwell and Callahan

Referred to Committee on Rules

WHEREAS, the Virginia State Bar has requested and the Supreme Court of Virginia has promulgated a Rule (Part VI, Section IV, paragraph 20, adopted June 14, 1993, effective October 1, 1993) whereby Virginia lawyers are required to place certain trust funds in interest-bearing accounts the interest on which is remitted to the Virginia Law Foundation ("mandatory IOLTA"); and

WHEREAS, some bankers in the Commonwealth report that mandatory IOLTA and the procedures implemented by the Virginia Law Foundation and the Virginia State Bar have created an unfair administrative burden on the banks; and

WHEREAS, the proceeds of mandatory IOLTA enable the Virginia Law Foundation to fund many worthwhile projects, particularly legal services for the poor; and

WHEREAS, the Virginia Bankers Association has been active in trying to resolve the problems with mandatory IOLTA; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Virginia Bankers Association, in collaboration with the Virginia State Bar, the Virginia Law Foundation and the Legal Services Corporation of Virginia be requested to conduct a study to (i) examine the methods and procedures used to implement mandatory IOLTA and (ii) explore methods for alleviating or eliminating the administrative burden on banks in connection with mandatory IOLTA.

In conducting the study the Virginia Bankers Association should appoint five members and the Virginia State Bar, The Virginia Bar Association, the Virginia Law Foundation and the Legal Services Corporation should each appoint one member to the study committee. The study should include an examination and comparison of how mandatory IOLTA is administered in other jurisdictions as well as consultation with regional banks, community banks, law firms and individual lawyers in the Commonwealth.

The Virginia Bankers Association shall complete its work in time to submit its findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided of the Division of Legislative Automated Systems for processing legislative documents.

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