

LD8572180

SENATE BILL NO. 1013

Offered January 23, 1995

A *BILL to amend the Code of Virginia by adding in Chapter 1 of Title 6.1 a section numbered 6.1-2.9:6, relating to financial institutions; interest on lawyers' trust accounts.*

Patrons—Reasor, Barry, Bell, Chichester, Earley, Hawkins, Miller, K.G., Norment, Potts, Quayle, Robb, Saslaw, Stolle, Trumbo and Wampler; Delegates: Albo, Armstrong, Barlow, Behm, Bloxom, Cantor, Cox, Croshaw, Fisher, Harris, Howell, McClure, Miller, Moore, Morgan, O'Brien, Purkey, Putney, Reid, Reynolds, Shuler, Wagner, Wardrup, Watkins and Wilkins

Referred to the Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 1 of Title 6.1 a section numbered 6.1-2.9:6 as follows:

§ 6.1-2.9:6. *Financial institution not required to pay interest or dividends on pooled accounts maintained by lawyers.*

A. *No financial institution shall be required by any rule or regulation governing the professional conduct of lawyers to pay interest or dividends on any pooled account maintained by lawyers or law firms as a condition for accepting and maintaining the account, nor shall any lawyer or law firm be required to deposit client funds in pooled accounts with a financial institution on which interest or dividends are required to be paid to any person or entity other than to the lawyer or law firm for the benefit of the client. Any disciplinary or other rule, regulation, guideline, standard or procedure now or hereafter promulgated by the Virginia Supreme Court or any other entity which is inconsistent with this subsection is void and of no effect.*

B. *Financial institutions accepting pooled interest-bearing IOLTA accounts from lawyers or law firms on which the interest or dividends are paid to the Virginia Law Foundation or any entity other than the client shall not be required by any disciplinary or other rule, regulation, guideline, standard or procedure promulgated by the Virginia Supreme Court, the Virginia Law Foundation or any other entity to remit the interest or dividends earned on such accounts to any person or entity other than the lawyer or law firm establishing such accounts. No rule, regulation, guideline, standard or procedure shall place any limitations or restrictions on the interest rate paid on such accounts nor on the fees, charges or other terms and conditions imposed by the financial institution on or in connection with the opening, maintenance or closing of such accounts nor require that any information concerning such accounts be provided by the financial institution to any person or entity other than the lawyer or law firm establishing such accounts. Any disciplinary or other rule, regulation, guideline, standard or procedure now or hereafter promulgated by the Virginia Supreme Court, the Virginia Law Foundation or any other entity which is inconsistent with this section is void and of no effect.*

INTRODUCED

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