

Department of Planning and Budget 2007 Fiscal Impact Statement

1. **Bill Number** SB1426

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron** Chichester

3. **Committee** Passed Both Houses

4. **Title** Clients' Protection Fund.

5. **Summary/Purpose:** Allows the Supreme Court to adopt rules assessing members of the Virginia State Bar an annual fee of up to \$25 to be deposited in the State Bar Fund and transferred to the Clients' Protection Fund. The authority to adopt such rules will expire on July 1, 2015.

6. **Fiscal Impact Estimates are:** Final (see Item 8)

Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$1,000,000		NGF
2007-08	\$1,000,000		NGF
2008-09	\$1,000,000		NGF
2009-10	\$1,000,000		NGF
2010-11	\$1,000,000		NGF
2011-12	\$1,000,000		NGF
2012-13	\$1,000,000		NGF

7. **Budget amendment necessary:** No

8. Fiscal implications:

The Virginia State Bar Clients' Protection Fund (CPF) was established in 1976 to make monetary awards to persons who have suffered financial losses because of dishonest conduct by Virginia lawyers. Since 1976, the CPF has paid out over \$3.1 million to clients who have had their funds misappropriated by dishonest attorneys whose law licenses have been suspended or revoked by the bar. A recent actuarial study commissioned by the bar determined that the fund should have \$9 million if it is to be able to pay the increasing number of such claims in the future, whereas present balances are around \$3 million. Currently, the Virginia State Bar has approximately 40,000 active and associate members. Assuming the maximum allowed fee is assessed and all of the roughly 40,000 members are assessed the fee, approximately \$1.0 million can be generated annually to support the CPF.

9. **Specific agency or political subdivisions affected:** Virginia State Bar and Supreme Court of Virginia

10. Technical amendment necessary: No

11. Other comments: Identical to HB 2078E which was engrossed by the House and subsequently left in Finance in the Senate.

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