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BILL



ANALYSIS

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Senate Bill 742 (Substitute S-1 as reported)  
Sponsor: Senator Tom Casperson  
Committee: Judiciary

### **CONTENT**

The bill would amend the Revised Judicature Act to do the following regarding admission to the State Bar of Michigan:

- Allow a person who was licensed to practice law in another U.S. state or territory or the District of Columbia to apply for examination for admission without meeting certain educational requirements.
- Create a rebuttable presumption that a person licensed to practice out of State had sufficient legal education to practice law in Michigan if he or she had passed the out-of-State bar exam.
- Increase the fees to be paid by an applicant for admission; increase the maximum amounts to which the Supreme Court may raise those fees; and require those maximum amounts to be adjusted annually, based on the rate of inflation.

The Act specifies minimum educational requirements that an applicant for admission to the State Bar must have completed successfully before beginning his or her legal education. The Act also requires each applicant for examination for admission to the State Bar to be a graduate from a reputable and qualified law school in Michigan, another U.S. state or territory, or the District of Columbia. The bill would make an exemption to those requirements, as described below.

Under the bill, an individual who was duly licensed to practice law in the court of last resort of any other state or U.S. territory or the District of Columbia could apply for examination in Michigan without meeting the education requirements described above if he or she proved all of the following to the satisfaction of the Board of Law Examiners:

- He or she had not been suspended or discharged from the bar of another state or territory or the District of Columbia or from the bar of any U.S. Federal court.
- He or she was a person of good moral character, as defined in Public Act 381 of 1974.
- He or she was at least 18 years of age.
- He or she had the current fitness and ability to enable him or her to practice law in Michigan courts.
- He or she had sufficient general education and learning in the law to enable him or her to practice law in Michigan courts.

The Act contains a schedule of fees that must be paid by each applicant for admission to the State Bar and authorizes the Supreme Court to increase some of those fees up to certain amounts. Table 1 shows the statutory fees, the amount to which the Court may increase the fees, and the fees currently charged.

**Table 1**

<b>Current State Bar Admission Fees</b>			
<b>Purpose</b>	<b>Statutory Fee</b>	<b>Maximum Court Increase</b>	<b>Current Fee</b>
Examination	\$300	\$400	\$340 <sup>a</sup>
Re-examination or Recertification	\$200	\$300	\$240 <sup>a</sup>
Admission without Exam	\$600	\$800	\$600 <sup>b</sup>
Late Filing of Application or Transfer of Application	\$100	N/A	N/A
<sup>a</sup> According to the "Michigan Bar Exam Application Instructions and Information".			
<sup>b</sup> According to the Board of Law Examiners' "Application for Admission without Examination".			

(As discussed in the FISCAL IMPACT below, the court adopted an order increasing the fees to the maximum allowed, effective August 1, 2016.)

Under the bill, the fees and the amount to which the Court could increase them would be as shown in Table 2.

**Table 2**

<b>Proposed State Bar Admission Fees</b>			
<b>Purpose</b>	<b>Fee Before 1-1-2017</b>	<b>Fee On or After 1-1-2017</b>	<b>Maximum Court Increase</b>
Examination	\$300	\$400	\$600
Re-examination	\$240	\$300	\$500
Recertification	\$200	\$300	\$500
Admission without Exam	\$600	\$800	\$1,500
Late Filing of Application or Transfer of App.	\$100	N/A	N/A

Beginning two years after the bill's effective date, the maximum amounts of the court increases would have to be adjusted annually to reflect the change in the Detroit consumer price index over the preceding calendar year.

MCL 600.931 et al.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill could have a positive fiscal impact on the State and would have no fiscal impact on local government. According to the State Court Administrative Office, the current law exam fees are insufficient to cover the cost of administering the bar exam. Any costs not covered by law exam fees are paid from the General Fund. In December 2015, the Michigan Supreme Court published for comment an Administrative Order to increase the fees for an application for examination, reexamination, recertification, and admission without examination to their statutory maximums. The proposal was approved on May 25, 2016, with the fee schedule effective August 1, 2016. The first bar exam to which the increased fees will apply is the exam held in February 2017.

Due to decreasing enrollment for the bar exam, however, the increased fees may not be enough to fully offset the costs of administration, which are largely fixed. To the extent that the bill would allow fee increases to pay for exam administration, General Fund expenditures could be reduced.

Date Completed: 6-9-16

Fiscal Analyst: Ryan Bergan

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.