

Senate Bill No. 641

Passed the Senate May 26, 2009

Secretary of the Senate

Passed the Assembly August 31, 2009

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2009, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 6008.6 and 6140 of, to add Sections 6140.37 and 6161.2 to, to add Article 10.2 (commencing with Section 6174) to Chapter 4 of Division 3 of, and to add and repeal Section 6140.38 of, the Business and Professions Code, relating to the State Bar Act.

LEGISLATIVE COUNSEL'S DIGEST

SB 641, Corbett. The State Bar Act.

Existing law, the State Bar Act, provides for the licensure and regulation of attorneys by the State Bar of California, a public corporation.

(1) Existing law requires the State Bar to comply with specified standards applicable to state agency contracts when awarding a contract for goods, services, or both, for an aggregate amount in excess of \$50,000.

This bill would require the State Bar to comply with those standards when awarding a contract for information technology goods, as defined, services, or both, only when the contract is for an aggregate amount in excess of \$100,000. The bill would require the State Bar to report to the judiciary committees of the Legislature by April 1, 2010, and annually thereafter, on the impact of this change. The bill would also require the State Bar to have a preference for using in-house employees for information technology projects.

(2) Existing law requires the Board of Governors of the State Bar to charge an annual membership fee to active members of up to \$315 for the year 2009.

This bill would require the board to fix the annual membership fee for active members for 2010 at a sum not to exceed \$315.

(3) Existing law also provides for the registration and regulation of law corporations, as defined. Existing law requires law corporations to apply to the State Bar for registration and to supply the State Bar with specified information. Existing law also requires law corporations to pay a registration fee and an annual renewal fee and specifies that all fees are paid into the treasury of the State Bar.

This bill would require these fees to be used for regulatory and disciplinary purposes.

(4) Existing law, the Uniform Partnership Act of 1994, provides for the registration and regulation of limited liability partnerships, including those partnerships providing legal services. The act requires, at the time of registration and at all times these partnerships transact intrastate business, that these partnerships provide specified security for claims arising out of the practice of law. The act also requires a limited liability partnership providing professional services in this state to comply with the administrative registration or filing requirements of that profession's respective regulatory entity. In this regard, the State Bar, pursuant to its Rules of the State Bar, requires those partnerships that provide legal services to register with the State Bar by submitting an initial application and thereafter to renew annually and to include the payment of a fee in each of these instances.

This bill would require these fees to be used for regulatory and disciplinary purposes. The bill would also require applicants for registration with the State Bar to file a separate form stating that the limited liability partnership has complied with the security requirements for claims arising out of the practice of law.

The people of the State of California do enact as follows:

SECTION 1. Section 6008.6 of the Business and Professions Code is amended to read:

6008.6. The State Bar shall award no contract for goods, services, or both, for an aggregate amount in excess of fifty thousand dollars (\$50,000), or for information technology goods, services, or both, for an aggregate amount in excess of one hundred thousand dollars (\$100,000), except pursuant to the standards established in Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code. The State Bar shall establish a request for proposal procedure by rule, pursuant to the general standards established in Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code. For the purpose of this section, "information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion

voice, video, and data communications, network systems, requisite facilities, equipment, system controls, stimulation, electronic commerce, and all related interactions between people and machines.

SEC. 2. Section 6140 of the Business and Professions Code is amended to read:

6140. (a) The board shall fix the annual membership fee for active members for 2010 at a sum not exceeding three hundred fifteen dollars (\$315).

(b) The annual membership fee for active members is payable on or before the first day of February of each year. If the board finds it appropriate and feasible, it may provide by rule for payment of fees on an installment basis with interest, by credit card, or other means, and may charge members choosing any alternative method of payment an additional fee to defray costs incurred by that election.

(c) This section shall remain in effect only until January 1, 2011, and, as of that date, is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

SEC. 3. Section 6140.37 is added to the Business and Professions Code, to read:

6140.37. The State Bar shall have a preference for using in-house employees for information technology projects, whenever possible. Nothing in this section shall be read to be inconsistent with any memorandum of understanding between the State Bar and the recognized employee organizations or any relevant principles of labor law.

SEC. 4. Section 6140.38 is added to the Business and Professions Code, to read:

6140.38. (a) The State Bar shall report to the Senate Committee on Judiciary and the Assembly Committee on Judiciary on or before April 1, 2010, and annually thereafter, on the impact of the changes made to Section 6008.6 by Senate Bill 641 of the 2009–10 Regular Session. In addition to a description of the impact of those changes, the report shall include, with specificity, the following: (1) the projects that previously would have been required to comply with Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code, but are no longer subject to that requirement because the contract amount is between \$50,000 and \$100,000; and (2) whether the changes have improved

the efficiency of the contracting process. The report required by this section may be included with the report described in Section 6140.36.

(b) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

SEC. 5. Section 6161.2 is added to the Business and Professions Code, to read:

6161.2. All fees for registration and renewal paid pursuant to Sections 6161 and 6161.1 shall be paid into the treasury of the State Bar and shall be used for its regulatory and disciplinary purposes.

SEC. 6. Article 10.2 (commencing with Section 6174) is added to Chapter 4 of Division 3 of the Business and Professions Code, to read:

Article 10.2. Limited Liability Partnerships

6174. Pursuant to subdivision (h) of Section 16953 of the Corporations Code, a limited liability partnership providing legal services shall comply with all administrative or filing requirements of the State Bar, including, but not limited to, the payment of fees, and all rules and regulations adopted by the board and approved by the Supreme Court. All fees shall be paid into the treasury of the State Bar and shall be used for its regulatory and disciplinary purposes.

6174.5. At the time of filing an Application for Issuance of a Certificate of Registration as a Limited Liability Partnership pursuant to the Rules of the State Bar, an applicant for registration shall also file with the State Bar a separate form stating that the limited liability partnership has complied with the security requirements described in paragraph (2) of subdivision (a) of Section 16956 of the Corporations Code.

Approved _____, 2009

Governor