

AMENDED IN ASSEMBLY JUNE 24, 2015

AMENDED IN SENATE JUNE 2, 2015

AMENDED IN SENATE MAY 13, 2015

SENATE BILL

No. 134

Introduced by Senator Hertzberg

(Principal coauthor: Assembly Member Alejo)

**(Coauthors: Senators Allen, Jackson, Leno, Pavley, and
Wieckowski)**

(Coauthors: Assembly Members Cristina Garcia, Santiago, and
Steinorth)

January 22, 2015

An act to ~~amend Section 6032 of~~ *add Section 6032.5 to the Business and Professions Code, and to add Section 1564.5 to the Code of Civil Procedure*, relating to attorneys.

LEGISLATIVE COUNSEL'S DIGEST

SB 134, as amended, Hertzberg. State Bar of California: ~~voluntary fee collection:~~ *Interest on Lawyer Trust Accounts: escheated funds: public interest attorney loan repayment program.*

(1) Existing law, the State Bar Act, provides for the licensure and regulation of attorneys by the State Bar of California, a public corporation. ~~Existing law authorizes the State Bar to collect annual membership dues and voluntary fees, as specified.~~ *Existing law requires an attorney or law firm that receives or disburses trust funds to establish an interest-bearing demand trust account and to deposit in the account all client deposits that are nominal in amount or are on deposit for a short period of time.* ~~Existing~~

(2) *Existing law creates the Public Interest Attorney Loan Repayment Program, which is administered by the Student Aid Commission, to provide loan repayment assistance for licensed attorneys who practice or agree to practice in public interest areas of the law in California.*

(3) *Existing law provides for the escheat of property to the state. Existing law requires all property that escheats to the state to be deposited into the Abandoned Property Account in the Unclaimed Property Fund, which is continuously appropriated for specified purposes. Existing law establishes procedures for submitting a claim for property that has escheated.*

This bill would require unclaimed property in Interest on Lawyers’ Trust Accounts (IOLTA) to, instead, be deposited into the Public Interest Attorney Loan Repayment Account established by this bill in the State Treasury for the purposes of providing, upon appropriation by the Legislature, additional funding for the Public Interest Attorney Loan Repayment Program.

~~This bill would expressly authorize the State Bar to collect voluntary fees on behalf of, and for the purpose of funding, the Public Interest Attorney Loan Repayment Program.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 6032.5 is added to the Business and
2 Professions Code, to read:
3 6032.5. (a) Notwithstanding any law, including, but not limited
4 to, Section 1564 of the Code of Civil Procedure, any escheated
5 property held in an IOLTA account shall be deposited into the
6 Public Interest Attorney Loan Repayment Account which is hereby
7 established within the State Treasury.
8 (b) Escheated property in the Public Interest Attorney Loan
9 Repayment Account shall be used, upon appropriation by the
10 Legislature, by the Student Aid Commission for the purpose of
11 providing increased funding for, both the administration of and
12 the provision of loan assistance pursuant to, the Public Interest
13 Attorney Loan Repayment Program pursuant to Article 12
14 (commencing with Section 69740) of Chapter 2 of Part 42 of
15 Division 5 of Title 3 of the Education Code.

1 (c) For the purposes of this section, “escheated property” has
2 the same meaning as set forth in subdivision (c) of Section 1561
3 of the Code of Civil Procedure.

4 SEC. 2. Section 1564.5 is added to the Code of Civil Procedure,
5 to read:

6 1564.5. Notwithstanding Section 1564, escheated property
7 held in an Interest on Lawyers’ Trust Account (IOLTA) shall be
8 deposited into the Public Interest Attorney Loan Repayment
9 Account, as set forth in Section 6032.5 of the Business and
10 Professions Code.

11 SECTION 1. ~~Section 6032 of the Business and Professions~~
12 ~~Code is amended to read:~~

13 ~~6032. (a) Notwithstanding any other provision of law, the~~
14 ~~State Bar is expressly authorized to collect, in conjunction with~~
15 ~~the State Bar’s collection of its annual membership dues, voluntary~~
16 ~~fees on behalf of, and for the purpose of funding, the California~~
17 ~~Supreme Court Historical Society, which advances the science of~~
18 ~~jurisprudence by preserving and disseminating to the general public~~
19 ~~the history of the Supreme Court and the judicial branch.~~

20 ~~(b) Notwithstanding any other law, the State Bar is expressly~~
21 ~~authorized to collect, in conjunction with the State Bar’s collection~~
22 ~~of its annual membership dues, voluntary fees on behalf of, and~~
23 ~~for the purpose of funding, both the administration and provision~~
24 ~~of loan assistance for, the Public Interest Attorney Loan Repayment~~
25 ~~Program (Article 12 (commencing with Section 69740) of Chapter~~
26 ~~2 of Part 42 of Division 5 of Title 3 of the Education Code), which~~
27 ~~provides loan assistance to licensed attorneys who practice or agree~~
28 ~~to practice in public interest areas of the law in this state.~~