

STATE OF MINNESOTA

In Supreme Court

FILE NO.

OFFICE OF
APPELLATE COURTS

JUN 29 2007

FILED

**Petition of the Minnesota State Board of
Law Examiners
For Amendment of the
Rules of the Supreme Court
on Lawyer Registration
And for Amendment of the Minnesota Rules for
Admission to the Bar**

PETITION

TO: THE HONORABLE JUSTICES OF THE MINNESOTA SUPREME COURT:

Petitioner, the Minnesota State Board of Law Examiners ("Board"), respectfully petitions the Court to amend Rule 12 of the Rules for Admission to the Bar (RAB) to increase application and certain other fees charged applicants to the bar. The Board also seeks to amend Rule 2 of the Rules of the Supreme Court on Lawyer Registration (RLR) in order to increase the allocation to the Board. In support of this Petition, the Board asserts the following:

1. The Supreme Court has the exclusive and inherent power to regulate the practice of law.
2. In 2003, the Court amended the Board's Rules, increasing applicant examination fees from \$300 to \$400. The Court also amended the Rules to increase admission fees for attorney applicants from \$625 to \$750. No applicant fee increases have been made since 2003.

3. The Board has also sought increases from the Lawyer Registration fee (formerly known as the Attorney Registration fee). In 1987, the Board's allocation from the Lawyer Registration Fee was increased from \$7 to \$15 per lawyer. In 1996, the Court amended the Lawyer Registration Rules to increase the Board's allocation from \$15 to \$20 per lawyer. In 2000, the Court reduced the Board's allocation from \$20 to \$15 per lawyer resulting in a decrease of the Board's fund balance. In 2003, Court granted the Board's Petition to increase the allocation from \$15 to \$18 per lawyer.
4. Revenue predictions for FY08 through FY11 indicate that the Board must increase revenue in order to sustain operating expenses and maintain adequate cash reserves. The Board's costs have increased over the past few years in part because the number of bar applicants has steadily grown. From 2005 to 2006 the number of bar applicants increased by 13%. A similar increase is expected to occur from 2006 to 2007. In 2004 conditional admission was added to the Rules increasing the workload of Board staff as well as increasing direct costs. In addition, salaries, rent payments, health insurance and other costs of operation continue to rise. Without an increase in revenue in FY08, the Board in FY09 would fall below the 50% cash reserve amount. A cash reserve in this amount is needed for cash flow purposes because a large percentage of Board revenue is received in the 4th quarter. Without an increase, the Board would have insufficient reserves to maintain *ongoing operations after FY09*.
5. The Board seeks increases to bar application fees by amendments to Rule 12 of the Rules for Admission to the Bar (RAB) as shown in Exhibit A.
6. The Board recommends a fee increase of \$100 per applicant for recent law school graduates, raising the application fee from \$400 to \$500. By conducting a national survey of other jurisdictions, the Board found that the average amount for application fees for first time applicants is \$510.

7. Rule 12 also governs the application fee charged to practicing lawyers seeking admission by examination or admission on motion based on years of practice. The proposed amendment would increase this fee by \$200, raising it from \$750 to \$950. The Board's survey also found that the national average for motion admission fees is \$934.
8. The proposed amendments to the Board's fee structure would generate an additional \$132,600 annually, approximately 51% of the total additional revenue required by the Board. The Board seeks this increase to be effective January 1, 2008.
9. The Board also proposes an amendment to the Rules for Lawyer Registration (RLR) to increase the Board's allocation from that fee in order to generate the balance of the revenue required by the Board. The proposed amendments to RLR Rule 2 would increase the Board's lawyer registration allocation to the Board by \$5, from \$18 to \$23 per lawyer. This increase is projected to generate \$125,000, the remaining 49% of additional revenue required to fund ongoing operations. The Board recommends that the Rule 2 amendment be made effective January 1, 2008.
10. The Board of Continuing Legal Education (CLE), has advised the Court and the Board of Law Examiners that it is petitioning the Court for an amendment to the Lawyer Registration Rules to reduce by \$2 per lawyer its allocation from the Lawyer Registration Fee. The CLE Board's Petition for Lawyer Registration Rule amendment will be filed separately from this Petition.
11. The proposed amendments to RLR Rule 2 reducing the CLE allocation and increasing the Law Examiners' allocation are set forth in an attachment marked Exhibit B.
12. Revenue from an increase in Lawyer Registration fees, along with the additional funds from increased application fees, will generate approximately

\$257,600 annually for the Board. This amount would be sufficient to fund the Board's ongoing operations and maintain adequate reserves through FY12.

CONCLUSION

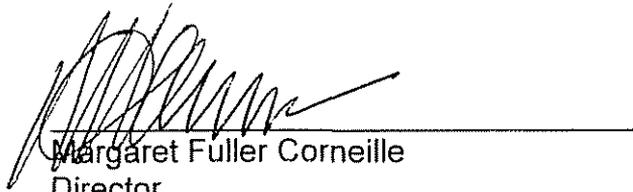
By these proposed amendments, the Board seeks to amend its Rules to increase application revenue and seeks to amend the Lawyer Registration Rules to increase the Board's allocation from the Lawyer Registration Fee. With the proposed rule changes, the Board will have sufficient revenue to assure adequate funding for the Board's ongoing operations.

Based upon the foregoing, the Board respectfully requests that the Court adopt the proposed amended Rules set forth in Exhibit A and Exhibit B.

Dated: *June 29, 2007*



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RULES FOR ADMISSION TO THE BAR

RULE 12. FEES

B. Fee for Examination, Not Previously Admitted. An applicant who meets the following criteria shall submit a fee of ~~\$400~~ \$500:

- (1) Applying to take the Minnesota examination for the first time; and
- (2) Not admitted to practice in another jurisdiction; and
- (3) Filing on or before the timely filing deadline (October 15 for the February examination, or March 15 for the July examination).

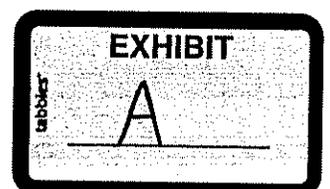
An applicant meeting the criteria in (1) and (2) above, who files after the timely filing deadline but before the late filing deadline (December 1 for the February examination, or May 1 for the July examination) shall submit a fee of ~~\$550~~ \$650. Applications will not be accepted after the late filing deadline.

C. Fee for Examination, Prior Admission. An applicant who meets the following criteria shall submit a fee of ~~\$750~~ \$950:

- (1) Licensed to practice in another jurisdiction more than six months prior to the date of the applicant's Minnesota application; and
- (2) Filing on or before the timely filing deadline (October 15 for the February examination, or March 15 for the July examination).

An applicant meeting the criteria in (1) above, who files after the timely filing deadline but before the late filing deadline (December 1 for the February examination, or May 1 for the July examination) shall submit a fee of ~~\$900~~ \$1100. Applications will not be accepted after the late filing deadline.

D. Exception for Recently Admitted Applicants. An applicant licensed to practice in another jurisdiction less than six months prior to the date of the applicant's Minnesota application shall submit the fee required by paragraph B of this Rule.



E. Repeat Examinations. An applicant who was unsuccessful on the Minnesota examination and is filing on or before December 1 for the February examination, or on or before May 1 for the July examination, shall submit a fee of ~~\$400~~ \$500 and comply with Rule 4G.

F. Fee for Admission Without Examination. An applicant for admission without examination pursuant to Rule 7 (Admission Without Examination) or Rule 10 (Admission by House Counsel License) shall submit a fee of ~~\$750~~ \$950. An applicant for admission pursuant to Rule 9 (Admission by Temporary House Counsel License) shall submit a fee of ~~\$500~~ \$700.

I. Refunds of Fees. A refund in the amount of ~~\$125~~ \$150 will be made in the following circumstances:

(1) When an applicant for the bar examination advises the Board in writing at least four days prior to an examination of the applicant's desire to withdraw the application;

(2) When an applicant for the bar examination is denied permission to take an examination due to failure to provide a certificate of graduation required by Rule 4D.

No other requests for refund will be granted.

RULES OF THE SUPREME COURT ON LAWYER REGISTRATION

RULE 2. REGISTRATION FEE

A. Required Fee.

In order to defray the expenses of examinations and investigation for admission to the bar and disciplinary proceedings, to defray the expenses of administering continuing legal education, to provide an adequate client security fund, to help fund legal services programs, and to help fund a lawyers assistance program, each lawyer and each judge must pay to the Lawyer Registration Office an annual registration fee.

B. Active Statuses.

Each lawyer and judge must pay an annual registration fee of ~~\$218~~\$221 or such lesser sum as is set forth in the following sections.

1. Active Status - Income Less Than \$25,000.

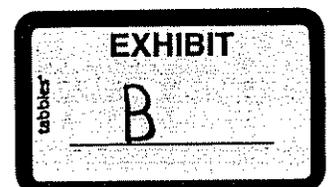
A lawyer or judge on active status who certifies that the lawyer's or judge's gross income from all sources, excluding the income of a spouse, is less than \$25,000 per year must pay an annual registration fee of ~~\$193~~\$196.

2. Active Status - Lawyers on Fulltime Military Duty.

A lawyer or judge on fulltime duty in the armed forces of the United States must pay an annual registration fee of ~~\$107~~\$110.

3. Active Status - Lawyers on Fulltime Military Duty - Income Less Than \$25,000.

A lawyer or judge on fulltime duty in the armed forces of the United States who certifies that the lawyer's or judge's gross income from all sources, excluding the income of a spouse, is less than \$25,000 per year must pay an annual registration fee of ~~\$82~~\$85.



4. Active Status - Lawyers Admitted Fewer Than Three Years.

A lawyer or judge who has been admitted to practice law fewer than three years in each and every licensing jurisdiction, including Minnesota, must pay an annual registration fee of ~~\$97~~\$100.

5. Active Status - Lawyers Admitted Fewer Than Three Years - Income Less Than \$25,000.

A lawyer or judge who has been admitted to practice law fewer than three years in each and every licensing jurisdiction, including Minnesota, and certifies that the lawyer's or judge's gross income from all sources, excluding the income of a spouse, is less than \$25,000 per year must pay an annual registration fee of ~~\$84.50~~\$87.50.

C. Inactive Statuses.

1. Inactive Status - Out-of-State.

A lawyer or judge who files with the Lawyer Registration Office on or before the date the lawyer's registration fee is due an affidavit stating that the lawyer or judge (i) is a permanent resident of a state other than Minnesota, (ii) is currently in good standing, (iii) does not hold judicial office in Minnesota and (iv) is not engaged in the practice of law in Minnesota, must pay an annual registration fee of ~~\$179~~\$182.

2. Inactive Status - Out-of-State - Income Less Than \$25,000.

A lawyer or judge who files with the Lawyer Registration Office on or before the date the lawyer's registration fee is due an affidavit stating that the lawyer or judge (i) is a permanent resident of a state other than Minnesota, (ii) is currently in good standing, (iii) does not hold judicial office in Minnesota (iv) is not engaged in the practice of law in Minnesota, and (v) certifies that the lawyer's or judge's gross income from all sources, excluding the income of a spouse, is less than \$25,000 per year must pay an annual registration fee of ~~\$154~~\$157.

3. Inactive Status - Minnesota.

A lawyer who files with the Lawyer Registration Office on or before the date the lawyer's registration fee is due an affidavit stating that the lawyer (i) is a resident of the State of Minnesota, (ii) is currently in good standing, (iii) does not hold judicial office in this state, and (iv) is not engaged in the practice of law in this state must pay an annual registration fee of ~~\$179~~\$182.

4. Inactive Status - Minnesota - Income Less Than \$25,000.

A lawyer who files with the Lawyer Registration Office on or before the date the lawyer's registration fee is due an affidavit stating that the lawyer (i) is a resident of the State of Minnesota, (ii) is currently in good standing, (iii) does not hold judicial office in this state, (iv) is not engaged in the practice of law in this state, and (v) certifies that the lawyer's or judge's gross income from all sources, excluding the income of a spouse, is less than \$25,000 per year must pay an annual registration fee of ~~\$154~~\$157.

D. Allocation of Fees.

Fees paid pursuant to this rule are allocated according to the following schedule:

(1) Payments of ~~\$218~~\$221 are allocated as follows:

- ~~\$18~~\$23 to the State Board of Law Examiners;
- ~~\$8~~\$6 to the State Board of Continuing Legal Education;
- \$122 to the Lawyers Professional Responsibility Board;
- \$12 to the Client Security Fund;
- \$50 to the Legal Services Advisory Committee; and
- \$8 to the Lawyer Trust Account Board for a lawyers assistance program.

(2) Payments of ~~\$193~~\$196 are allocated as follows:

- ~~\$18~~\$23 to the State Board of Law Examiners;
- ~~\$8~~\$6 to the State Board of Continuing Legal Education;

- \$122 to the Lawyers Professional Responsibility Board;
- \$12 to the Client Security Fund;
- \$25 to the Legal Services Advisory Committee; and
- \$8 to the Lawyer Trust Account Board for a lawyers assistance program.

(3) Payments of ~~\$179~~\$182 are allocated as follows:

- ~~\$18~~\$23 to the State Board of Law Examiners;
- ~~\$8~~\$6 to the State Board of Continuing Legal Education;
- \$83 to the Lawyers Professional Responsibility Board;
- \$12 to the Client Security Fund;
- \$50 to the Legal Services Advisory Committee; and
- \$8 to the Lawyer Trust Account Board for a lawyers assistance program.

(4) Payments of ~~\$154~~\$157 are allocated as follows:

- ~~\$18~~\$23 to the State Board of Law Examiners;
- ~~\$8~~\$6 to the State Board of Continuing Legal Education;
- \$83 to the Lawyers Professional Responsibility Board;
- \$12 to the Client Security Fund;
- \$25 to the Legal Services Advisory Committee; and
- \$8 to the Lawyer Trust Account Board for a lawyers assistance program.

(5) Payments of ~~\$107~~\$110 are allocated as follows:

- ~~\$18~~\$23 to the State Board of Law Examiners;
- ~~\$7~~\$5 to the State Board of Continuing Legal Education;
- \$24 to the Lawyers Professional Responsibility Board;
- \$50 to the Legal Services Advisory Committee; and

- \$8 to the Lawyer Trust Account Board for a lawyers assistance program.
- (6) Payments of ~~\$82~~\$85 are allocated as follows:
- ~~\$18~~\$23 to the State Board of Law Examiners;
 - ~~\$7~~\$5 to the State Board of Continuing Legal Education;
 - \$24 to the Lawyers Professional Responsibility Board;
 - \$25 to the Legal Services Advisory Committee; and
 - \$8 to the Lawyer Trust Account Board for a lawyers assistance program.
- (7) Payments of ~~\$97~~\$100 are allocated as follows:
- ~~\$18~~\$23 to the State Board of Law Examiners;
 - ~~\$8~~\$6 to the State Board of Continuing Legal Education;
 - \$26 to the Lawyers Professional Responsibility Board;
 - \$12 to the Client Security Fund;
 - \$25 to the Legal Services Advisory Committee; and
 - \$8 to the Lawyer Trust Account Board for a lawyers assistance program.
- (8) Payments of ~~\$84.50~~\$87.50 are allocated as follows:
- ~~\$18~~\$23 to the State Board of Law Examiners;
 - ~~\$8~~\$6 to the State Board of Continuing Legal Education;
 - \$26 to the Lawyers Professional Responsibility Board;
 - \$12 to the Client Security Fund;
 - \$12.50 to the Legal Services Advisory Committee; and
 - \$8 to the Lawyer Trust Account Board for a lawyers assistance program.
