



**House  
Legislative  
Analysis  
Section**

Washington Square Building, Suite 1025  
Lansing, Michigan 48909  
Phone: 517/373-6466

**INCREASE STATE BAR FEES**

House Bill 4713 with committee amendment  
First Analysis (5-3-89)

RECEIVED  
MAY 23 1989

Sponsor: Rep. Marvin L. Knight Committee: Judiciary

***THE APPARENT PROBLEM:***

The Board of Law Examiners has the responsibility of investigating and examining applicants for admission to the State Bar of Michigan. In carrying out this responsibility, the board administers the bar examination, which is held twice annually, in February and July. In addition, a person licensed to practice law in another state may apply for admission to the Michigan bar without examination; to be admitted, such a person must prove to the board's satisfaction that he or she meets certain requirements by law. The costs of the board's activities are offset by the fees charged to applicants. Those fees, which customarily have been set at a level to cover costs, are determined by statute, have not been raised since 1980, and now fail to meet costs. The board and others believe that it is time to increase fees.

***THE CONTENT OF THE BILL:***

The bill would amend the Revised Judicature Act to increase maximum allowable fees for applicants for admission to the state bar, as follows: from \$100 to \$175 for examination; from \$50 to \$100 for reexamination; from \$125 to \$400 for admission without examination; and from \$50 to \$100 for late filing of an application. In addition, the bill would institute a \$100 fee for the transfer of an application, and a \$100 fee for recertification. The bill would specify that fees be deposited into the general fund for the restricted purpose of expenditures of the supreme court related to the administration of the Board of Law Examiners.

MCL 600.931

***FISCAL IMPLICATIONS:***

According to the Board of Law Examiners, total revenue under the bill would be about \$290,000 per year, an increase of about \$132,550 over the \$157,450 in revenues received in 1988. In that year, expenses of administering bar examinations and related costs totaled about \$262,800. (5-2-89)

***ARGUMENTS:***

***For:***

The bill would increase fees for state bar applicants to a level commensurate with the costs the Board of Law Examiners incurs in overseeing admissions to the bar. While the fees may strike the uninitiated as steep, they are consistent with fees charged in other states, and are somewhat less than those charged in Michigan for licensure in other professions such as engineering or medicine.

***For:***

At present, someone who arranges to take a bar examination but does not do so does not have to pay a fee to have his or her examination rescheduled to the next date, even though this transfer of an application from one examination date to another entails some costs for the

board. The bill would institute a fee for this transfer that was equal to that charged for late filing of an application, thus not only recouping the board's administrative costs, but also discouraging applicants from failing to follow through on a commitment to take the examination on a particular date. In a similar vein, the bill would allow the board to recoup its costs when recertifying an attorney who had been inactive for a number of years.

***Against:***

The fees charged by the Board of Law Examiners have only recently been raised, and it may be premature to do so again, especially to the levels proposed by the bill. Most of the fees apply to prospective attorneys, not established practitioners, and someone who has just finished law school does not as a rule have much spare cash. Further, the proposed fees would bring in revenue in excess of costs, something that would be particularly wasteful, given that the bill would restrict the use of the funds — including any surplus — to the Board of Law Examiners.

***Response:*** The pattern has been to increase fees periodically, as needed, with revenues shortly after an increase somewhat exceeding needs, and those toward the end of a period falling short of needs. Further, restricting the use of the fees emphasizes the user fee concept underlying the bill; that is, that the program should be supported by fees paid by those who use it.

***POSITIONS:***

The State Court Administrative Office supports the bill. (5-2-89)

The Board of Law Examiners supports the bill. (5-2-89)

The State Bar of Michigan supports the bill. (5-2-89)

H.B. 4713 (5-3-89)