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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/07

SPONSOR Maestas LAST UPDATED _____ HB 183/sHCPAC

SHORT TITLE Prohibit Unauthorized Practice of Law SB _____

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of HCPAC

The House Consumer and Public Affairs Committee amendment completely strikes the appropriation.

It also strikes "representing a party in a judicial, quasi-judicial or administrative proceeding or other dispute resolution process, including arbitration or mediation;". This language is to be replaced with the following:

"representing a party in a judicial proceeding, including arbitration or court-ordered mediation;"

Synopsis of Bill

House Bill 183 replaces the current language of Section 36-2-27 regarding the unauthorized practice of law. The new language includes the definition of the practice of law, what constitutes the unauthorized practice of law, and what would not be considered the unauthorized practice of law. The new language establishes criminal and civil penalties, with the civil remedy to include injunctive relief and an action for damages available to any person damaged by the unauthorized practice of law. The new language also establishes the authority of the attorney general to bring a cause of action against the alleged violator engaged in the unauthorized practice of law.

FISCAL IMPLICATIONS

According to the Attorney General's Office, it will also need extra funding and FTE to enforce this bill. The agency did not provide an amount.

The appropriation of \$10.0 thousand contained in this bill is a RECURRING expense to the GENERAL FUND. Any unexpended or unencumbered balance remaining at the end of FISCAL YEAR 2008 shall revert to the GENERAL FUND.

SIGNIFICANT ISSUES

The new language expands and clarifies what may or may not constitute the unauthorized practice of law, and makes more remedies available to anyone harmed by the unauthorized practice. Additionally, the attorney general now has authority to bring an action against anyone engaged in the unauthorized practice of law.

ADMINISTRATIVE IMPLICATIONS

The Attorney General's Office reports that it will need more staff.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The remedies available to a person damaged by the unauthorized practice will remain limited.

POSSIBLE QUESTIONS

Could the Attorney General's Office be more specific on the funding and FTE needs?

EO/csd