

Amendments to Senate Bill No. 504 BILL NO. SB 504
1st Reading Copy

Requested by Senator Jeff Essmann

For the Senate Taxation Committee

Prepared by Lee Heiman
March 11, 2005 (7:46am)

1. Title, line 7.

Strike: "INCREASING"**Insert:** "CHANGING"**Following:** "TAX"**Insert:** "TO PROVIDE THAT THE SUPREME COURT SET THE RATE AT AN AMOUNT NECESSARY TO FUND SUPREME COURT COMMISSIONS THAT ARE LINKED TO THE SUPREME COURT'S POWER TO REGULATE THE PRACTICE OF LAW"**Following:** " ; "**Insert:** "ESTABLISHING A LEGAL SERVICES BUSINESS TAX BASED UPON THE NUMBER OF PERSONS PROVIDING LEGAL SERVICES WITHIN A LEGAL SERVICES BUSINESS TO FUND SUPREME COURT COMMISSIONS THAT SERVE THE NEEDS OF THE GENERAL POPULACE OF MONTANA; "

2. Page 1, line 11.

Insert: "WHEREAS, the Legislature finds that the provision of legal services to the citizens of the state of Montana by attorneys licensed to practice law in the state of Montana, contains elements of a profession and elements of a business, and

WHEREAS, the professional elements of the practice of law, including admission to practice, the conditions for maintaining the right to practice, such as obtaining continuing legal education, and the provision for discipline for failure to observe the code of ethics as well as related matters are subject to the exclusive regulation and control of the Supreme Court of Montana, and

WHEREAS, the Legislature finds that the provision of legal services includes elements of a business, including, but not limited to, maintaining an office, employing a staff of assistants and paralegals, earning a taxable income, seeking and soliciting business and client relationships through advertising and collecting payment for services rendered, and such matters are subject to the regulation and control of general legislation, and

WHEREAS, the Legislature finds that the activities of the Supreme Court Commissions on Practice, Judicial Conduct, Judicial Standards, and Uniform District Court Rules are inextricably linked to the Supreme Court's power to regulate the practice of

law, and

WHEREAS, the Legislature finds that the activities of the Supreme Court Commissions on Technology, Courts of Limited Jurisdiction, Sentence Review, Judicial Nomination, and the District Court Council may not be inextricably linked to the Supreme Court's power to regulate the practice of law, but instead serve the needs of the broader population of the state of Montana, and

WHEREAS, the Legislature finds that it is in the best interest of the legal profession and the Supreme Court's power to regulate the profession, that the Supreme Court impose fees sufficient for the legal profession to fund the commissions the Court finds are inextricably linked to its power to regulate the practice of law; and

WHEREAS, the Legislature finds that it is within the power of the Legislature to regulate the general business elements of the provision of legal services within the state of Montana to raise funds sufficient to support those Commissions of the Supreme Court which are not linked inextricably to the practice of law, but which serve the needs of the broader population of the state of Montana."

3. Page 15, line 15.

Strike: "of" through "a"

Insert: "each"

Following: "year"

Insert: "in an amount necessary to fund commissions the supreme court determines are inextricably linked to the practice of law"

4. Page 1, line 21.

Insert: "NEW SECTION. **Section 2. Legal services business tax.** (1) There is a legal services business tax is based upon the number of persons, including attorneys, counselors at law, paralegals, and legal assistants, but not clerical or administrative personnel, engaged in each legal services business in the state as follows:

Number of persons	Amount
2 or less	\$25
3 but not more than 5	50
6 but not more than 10	100
11 but not more than 20	250
21 but not more than 40	500
41 or more	750

(2) The tax is payable to the clerk of the supreme court before April 1 of each year. Collections from the tax shall be deposited by the clerk into a special revenue account to the credit of the supreme court to fund commissions of the court that

are not inextricably linked to their power to regulate the practice of law but serve the needs of the general populace of Montana."

Insert: "NEW SECTION. Section 3. {standard} Codification instruction. [Section 2] is intended to be codified as an integral part of Title 37, chapter 61, part 2, and the provisions of Title 37, chapter 61, part 2, apply to [section 2]."

Renumber: subsequent subsection

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