Representative Assembly Presentation

SBM Dues Update

September 28, 2017

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How Dues Are Set

Michigan Supreme Court sets dues pursuant to court rule, administrative order.

Representative Assembly has exclusive authority on behalf of the State Bar of Michigan to recommend a dues increase in the State Bar association portion of the dues to the Michigan Supreme Court.
2017-18 State Bar of Michigan
Active Member Dues
(Highest Dues Level for an Active Member)

Total Active Dues
$300

Increase of $15 for discipline portion over 2016-2017 Dues
# 2017-18 State Bar of Michigan Annual Dues

<table>
<thead>
<tr>
<th></th>
<th>Active 50 yrs service</th>
<th>Inactive 50 yrs service</th>
<th>Emeritus</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bar</td>
<td>180.00</td>
<td>90.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Client Prot Fund</td>
<td>15.00</td>
<td>7.50</td>
<td>0.00</td>
</tr>
<tr>
<td>Atty Discipline</td>
<td>105.00</td>
<td>105.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Dues</td>
<td>$300.00</td>
<td>$202.50</td>
<td>$0.00</td>
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**Active** Member - privilege granted to practice in Michigan, receive full benefits of membership

**Inactive Member** - cannot practice law, but receives all other member benefits. Must be recertified by the BLE after 3 consecutive years of inactive status to regain active status

**Emeritus Member** - 30 years membership or 70 years of age - cannot practice law, but receives all other member benefits

**Active Duty Military** - active dues are waived for up to 4 years

No other dues discounts or waiver (hardship, new attorney, judicial, etc.)
Active member dues were decreased in FY 2013 and FY 2015 due to decreases in the ADS portion ordered by the Michigan Supreme Court, and will be restored in FY 2018 and FY 2019.
SBM Active Member Dues

Top Dues Level – Active Member
And since FY 2004 if dues increased at rate of inflation

Annual Dues

<table>
<thead>
<tr>
<th>FY 04</th>
<th>FY 07</th>
<th>FY 10</th>
<th>FY 13</th>
<th>FY 15</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>$315</td>
<td>$305</td>
<td>$285</td>
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Active member dues were decreased in FY 2013 and FY 2015 due to decreases in the ADS portion ordered by the Michigan Supreme Court, and will be restored in FY 2018 and FY 2019.
SBM Active Dues Comparison to Mandatory Bars

Top Active Dues Level -- all required fees other than mandatory continuing legal education

76% of the mandatory bars have higher required dues and fees than the SBM

The dues of the SBM are 23% lower than average
SBM Active Dues Comparison to All States

All Required Regulatory Fees except mandatory continuing legal education

59% of the U.S. jurisdictions have higher required dues and fees than the SBM

The dues of the SBM are 14% lower than average

All States – Total Required Regulatory Fees other than mandatory continuing legal education
79% of the mandatory state bars have an “inactive member” dues.

Of the mandatory bars with inactive membership fees, 77% of the mandatory bars have lower required inactive dues and fees than the SBM.

The inactive dues of the SBM are currently 45% higher than average.

All Mandatory State Bars with Inactive Member dues
79% of the mandatory state bars have an “inactive member” dues

Of the mandatory bars with inactive membership fees, all of the mandatory bars have lower required Inactive dues and fees as a percent of Active dues than the SBM.

The SBM Inactive dues as a percent of SBM Active dues are currently 185% higher than average.
Other Dues Issues

- SBM BOC work group reviewing process for suspensions for non-payment of dues and late fees, and will be making recommendations as appropriate.

- Transitioning from paper dues invoices to electronic dues notification and further automating the dues process