

Order

Michigan Supreme Court
Lansing, Michigan

June 8, 2022

Bridget M. McCormack,
Chief Justice

ADM File No. 2021-26

ADM File No. 2021-42

Adoption of Administrative
Order No. 2022-3

Brian K. Zahra
David F. Viviano
Richard H. Bernstein
Elizabeth T. Clement
Megan K. Cavanagh
Elizabeth M. Welch,
Justices

Increase in Attorney Dues for the
State Bar of Michigan Operations
and the Attorney Discipline System

On order of the Court, notice of the proposed changes and an opportunity for comment in writing and at a public hearing having been provided, and consideration having been given to the comments received, Administrative Order No. 2022-3 is adopted, effective October 1, 2022.

Administrative Order No. 2022-3 – Increase in Attorney Dues for State Bar of Michigan Operations and the Attorney Discipline System

Under Rule 4 of the Rules Concerning the State Bar of Michigan, dues for active members of the State Bar of Michigan are “to be set by the Supreme Court to fund: (1) the Attorney Grievance Commission and the Attorney Discipline Board, (2) the client security fund administered by the State Bar, and (3) other State Bar expenses.” The State Bar of Michigan Representative Assembly and the Attorney Discipline System (comprising the Attorney Grievance Commission and the Attorney Discipline Board) have submitted requests for dues increases for the fiscal year beginning October 1, 2022.

In light of the fact that the State Bar has not had a dues increase since 2003, and to continue the valuable services and resources the Bar provides for its members, the Court hereby establishes the State Bar portion of annual bar dues at \$260, an increase of \$80. In addition, the Court establishes the ADS portion of annual bar dues at \$140, an increase of \$20. Dues for the client protection fund remain at the level of \$15 per year.

This change will be reflected in the dues notice for the 2022-23 fiscal year that is distributed to all bar members under Rule 4 of the Rules Concerning the State Bar.

Staff Comment: This administrative order increases the State Bar’s dues for most members by \$100 for a total of \$415 per year.

The staff comment is not an authoritative construction by the Court. In addition, adoption of a new rule or amendment in no way reflects a substantive determination by this Court.

WELCH, J. (*concurring*). I write to explain my reasons for supporting the State Bar of Michigan (SBM) dues increase approved by this Court. While Justice VIVIANO's statement posits that the lack of a dues increase for 18 years supports the notion of a more gradual increase, that result would punish the SBM for being an excellent steward of its resources. I suspect it is a rarity that a membership organization has maintained the same dues level for 18 years. The SBM provides excellent resources for its members. These include free access to online research, an ethics hotline, a lawyer referral service, and the Lawyers & Judges Assistance Program. The SBM is continually exploring new offerings to benefit its membership and the public. And, like all organizations, the SBM is affected by inflationary pressure and increased overall costs to provide necessary services to its member attorneys. Although Justice VIVIANO suggests that today's dues increase will be burdensome for solo practitioners and attorneys at small firms, many solo and small-firm attorneys testified during our public hearing about the benefit the SBM provides them, making repeated reference to the online journal, ethics hotline, and the lawyer referral program. While larger firms have in-house resources to support their attorneys, solo attorneys and small firms can rely upon the SBM to assist them with ethics concerns. The SBM has historically used a long-term budgeting process. In keeping with this practice, the SBM projects that this increase will allow it to sustain current programming and plan for future programming through at least fiscal year 2030–2031. It also bears noting that this dues increase will not bring Michigan out of step with other state bar dues rates. According to data from the American Bar Association's 2021 State and Local Bar Benchmarks Survey, Michigan was ranked thirty-first among the 50 states and Washington, D.C., for licensing costs. This dues increase would bring Michigan to the twenty-first slot, still within the middle tier nationwide, with this ranking expected to fall as other states raise their own bar dues. For these reasons, I join the majority in supporting the approved increase in dues.

ZAHRA, J. (*concurring in part and dissenting in part*).

I agree with the \$20 increase in the portion of bar dues dedicated to the Attorney Discipline System, but I do not believe that the Court should increase the portion of the dues dedicated to the State Bar of Michigan by \$80 at this time. Given the current state of the economy, including the high inflation rates, I would increase the State Bar's dues for the 2022-2023 fiscal year by only \$50, which is the amount required for it to maintain its existent operational expenses. I would subsequently increase the State Bar's dues by \$10 for each of the next three years, reaching the requested \$80 dues increase by the 2025-2026 fiscal year. This more gradual increase in dues should be sufficient to adequately fund the State Bar, while partially easing the sting of the significant dues increase for its members.

VIVIANO, J. (*concurring in part and dissenting in part*).

The Court today increases the annual bar dues that Michigan attorneys must pay by \$100, a 32% increase. I agree with the \$20 increase dedicated to the Attorney Discipline

System, but I believe the \$80 increase for the portion of dues dedicated to the State Bar of Michigan (SBM) is too high. Because bar dues have not been increased for many years, I believe a modest increase in bar dues is appropriate. But I would not impose such a dramatic increase in the current economic climate, when historically high inflation rates are affecting every household and business.¹ The increase will be particularly burdensome on solo practitioners and other attorneys who pay their own bar dues—as opposed to those who are fortunate enough to have their bar dues paid by their employers.² The SBM performs many important functions, some of which are mandatory (i.e., required by statute or court rule) and some of which are discretionary. It undoubtedly needs sufficient funding to perform the tasks assigned to it. But I would require it to do more belt-tightening before increasing its dues by the full amount it has requested.

¹ See Smialek, *Consumer Prices Are Still Climbing Rapidly*, New York Times (May 11, 2022), <<https://www.nytimes.com/2022/05/11/business/economy/april-2022-cpi.html>> (accessed June 1, 2022) [<https://perma.cc/D58U-QVL6>].

² The number of solo practitioners and firms with limited resources is not insignificant. As of 2021, just over 32% of active SBM members who reside in Michigan were either solo practitioners or working in a small firm (defined as 2 to 10 attorneys). State Bar of Michigan, *State & County Demographics: 2021-2022*, p. 8 <<https://www.michbar.org/file/opinions/statewidedemographics2021.pdf>> (accessed May 27, 2022).



I, Larry S. Royster, Clerk of the Michigan Supreme Court, certify that the foregoing is a true and complete copy of the order entered at the direction of the Court.

June 8, 2022

Clerk